

**APPEAL RECOMPUTATION  
OF MEDI-CAL RATE  
DEVELOPMENT WORKSHEETS**

**KAISER FOUNDATION HOSPITAL – HAYWARD  
HAYWARD, CALIFORNIA  
PROVIDER NUMBER: ZZR00512F AND  
NPI NUMBER: 1801960513**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2007**

**Audits Section - Richmond  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Louise Wong  
Audit Supervisor: Matthew Moy  
Auditor: Edmund Yee**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

May 8, 2012

Jane C. Moore  
Associate Director, National Medicare Finance  
Kaiser Foundation Health Plan, Inc. & Hospital  
Walnut Center  
393 East Walnut Street  
Pasadena, CA 91188

In the Matter of:

PROVIDER: KAISER FOUNDATION HOSPITAL – HAYWARD  
PROVIDER NO. ZZR00512F  
NPI NO. 1801960513  
FISCAL PERIOD ENDED DECEMBER 31, 2007  
CASE NO. RD11-1207-465B-LA

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated August 9, 2011 from the informal hearing, the following revisions are made to the Medi-Cal audit report dated September 30, 2010.

This report includes the:

1. Revised Rate Development Worksheets
2. Revised Adjustments Schedule

Enclosed is the revised Rate Development and supporting schedules detailing the results of the recomputation.

If you have any questions in regard to this revision, please call the Audits Section-Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section—Richmond  
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Certified

cc: See Next Page

Jane C. Moore  
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**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER: KAISER FOUNDATION HOSPITAL - HAYWARD**  
**PROVIDER NO. ZZR00512F**  
**FISCAL PERIOD: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007**  
**CONTRACT PERIOD: NOT APPLICABLE**

	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 (Rev. 1)	\$ 1,722,072	\$	0	\$	\$ 1,722,072
B. Deductibles and Coinsurance (Third Party Liability)	\$ 4,418	\$	0	\$	\$ 4,418
C. Medi-Cal Inpatient Days					
1. Routine (Adults & Pediatrics)	422		0		422
2. ICU	59		0		59
3. CCU					
4. Nursery	21		0		21
5. NICU	192		0		192
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges	N/A		N/A		18,685
E. Total Medi-Cal Discharges	120		0		120
F. Total Medi-Cal Inpatient Charges/Units	\$ 2,859,843	\$	0	\$	\$ 2,859,843

## RATE DEVELOPMENT WORKSHEETS

**PROVIDER:** KAISER FOUNDATION HOSPITAL - HAYWARD  
**PROVIDER NO.** ZZR00512F  
**FISCAL PERIOD:** JANUARY 1, 2007 THROUGH DECEMBER 31, 2007  
**CONTRACT PERIOD:** NOT APPLICABLE

A. EXPENSE PASS-THROUGH DATA	<u>REFERENCE</u>		
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	10,736,144
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	5,016,635
3. Interest Expense:	8860, 8870	\$	1,278,318
4. Property Taxes and License Fees:	8850 and/or .83	\$	204,989
5. Utility Expense:	.77, .78, .79, and .80	\$	4,988,931
6. Malpractice Insurance Expense:	8830 and/or .81	\$	1,463,276
 B. GROSS OPERATING EXPENSES	 Sch 10, line 101, col. 3	 \$	 464,892,677
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	227,814
2. Professional Fees	.20	\$	0
 D. PHARMACY NONLABOR EXPENSES	 8390.37 and 8390.38	 \$	 6,258,471
 E. FOOD SERVICES NONLABOR EXPENSES	 8320, 8330 and 8340 and/or .42 and .43	 \$	 1,064,311
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	147,358,274
2. Employee Benefits	.10 - .19, .92, .96	\$	59,602,009
3. Other Professional Fees	.21 - .29	\$	3,384
4. Purchased Services	.61 - .69	\$	112,358,513
5. Supplies	.31 - .36, .93, .97	\$	17,431,629

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER:** KAISER FOUNDATION HOSPITAL - HAYWARD  
**PROVIDER NO.:** ZZR00512F  
**FISCAL PERIOD:** JANUARY 1, 2007 THROUGH DECEMBER 31, 2007  
**CONTRACT PERIOD:** NOT APPLICABLE

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	13,712,130
b. Productive Hours			230,002
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	11,835,406
b. Productive Hours			251,656
3. Registered Nurses			
a. Productive Salaries	.02	\$	64,364,301
b. Productive Hours			1,066,237
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	1,334,476
b. Productive Hours			41,485
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	5,530,068
b. Productive Hours			244,035
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	0
b. Productive Hours			0
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	241,176
b. Productive Hours			9,701
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	0
b. Productive Hours			0
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	10,583,517
b. Productive Hours			450,203
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	22,011,678
b. Productive Hours			775,679
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	17,745,521
b. Nonproductive Hours	Report or Provider W/P		406,774
<b>B. SUBTOTALS DIRECT PAYROLL COSTS</b>			
1. Productive Salaries (lines 1a - 10a)		\$	<u>129,612,752</u>
2. Productive Hours (lines 1b - 10b)			<u>3,068,998</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)</b>		<b>\$</b>	<b><u>147,358,273</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)</b>			<b><u>3,475,772</u></b>

**AUDIT REVISIONS**

Provider: KAISER FOUNDATION HOSPITAL - HAYWARD				Provider No. ZZR00512F	Fiscal Period: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007	No. of Rev: 1	
Report Reference				Explanation of Revisions	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
<b><u>REVISIONS TO RATE DEVELOPMENT WORKSHEETS</u></b>							
1	A&I-2	3	A	Medi-Cal Net Cost of Covered Services - Noncontract	\$ 1,734,372	\$ (12,300)	\$ 1,722,072
	A&I-2	3	A	Medi-Cal Net Cost of Covered Services - Contract	\$	\$ 0	\$
	A&I-2	3	B	Deductibles and Coinsurance - Noncontract	\$ 4,418	\$ 0	\$ 4,418
	A&I-2	3	B	Deductibles and Coinsurance - Contract	\$	\$ 0	\$
	A&I-2	3	C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract	422	0	422
	A&I-2	3	C-1	Medi-Cal Inpatient Days - Adults and Peds - Contract		0	
	A&I-2	3	C-2	Medi-Cal Inpatient Days - ICU - Noncontract	59	0	59
	A&I-2	3	C-2	Medi-Cal Inpatient Days - ICU - Contract		0	
	A&I-2	3	C-3	Medi-Cal Inpatient Days - CCU - Noncontract		0	0
	A&I-2	3	C-3	Medi-Cal Inpatient Days - CCU - Contract		0	
	A&I-2	3	C-4	Medi-Cal Inpatient Days - Nursery - Noncontract	21	0	21
	A&I-2	3	C-4	Medi-Cal Inpatient Days - Nursery - Contract		0	
	A&I-2	3	C-5	Medi-Cal Inpatient Days - NICU - Noncontract	192	0	192
	A&I-2	3	C-5	Medi-Cal Inpatient Days - NICU - Contract		0	
	A&I-2	3	C-6a	Medi-Cal Inpatient Days - _____ Noncontract		0	0
	A&I-2	3	C-6a	Medi-Cal Inpatient Days - _____ Contract		0	

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Rev. No.	Form	Page	Line				
	A&I-2	3	C-6b	Medi-Cal Inpatient Days - _____ Noncontract		0	0
	A&I-2	3	C-6b	Medi-Cal Inpatient Days - _____ Contract		0	
	A&I-2	3	D	Total Hospital Discharges	18,685	0	18,685
	A&I-2	3	E	Total Medi-Cal Discharges - Acute - Noncontract	120	0	120
	A&I-2	3	E	Total Medi-Cal Discharges - Acute - Contract		0	
	A&I-2	3	F	Total Medi-Cal Inpatient Charges/Units - Noncontract	\$ 2,859,843	\$ 0	\$ 2,859,843
	A&I-2	3	F	Total Medi-Cal Inpatient Charges - Contract	\$	\$ 0	\$
	A&I-2	4	A-1	Depreciation Expense	\$ 10,736,144	\$ 0	\$ 10,736,144
	A&I-2	4	A-2	Rent and Lease Expense	\$ 5,016,635	\$ 0	\$ 5,016,635
	A&I-2	4	A-3	Interest Expense	\$ 1,278,318	\$ 0	\$ 1,278,318
	A&I-2	4	A-4	Property Taxes and License Fees	\$ 204,989	\$ 0	\$ 204,989
	A&I-2	4	A-5	Utility Expenses	\$ 4,988,931	\$ 0	\$ 4,988,931
	A&I-2	4	A-6	Malpractice Insurance Expense	\$ 1,463,276	\$ 0	\$ 1,463,276
	A&I-2	4	B	Gross Operating Expenses	\$ 464,892,677	\$ 0	\$ 464,892,677
	A&I-2	4	C-1	Student and Physician Salaries	\$ 227,814	\$ 0	\$ 227,814

**AUDIT REVISIONS**

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Report Reference				Explanation of Revisions	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	A&I-2	4	C-2	Professional Fees	\$ 0	\$ 0	\$ 0
	A&I-2	4	D	Pharmacy Nonlabor Expense	\$ 6,258,471	\$ 0	\$ 6,258,471
	A&I-2	4	E	Food Services Nonlabor Expense	\$ 1,064,311	\$ 0	\$ 1,064,311
	A&I-2	4	F-1	Direct Operating - Salaries and Wages	\$ 147,358,274	\$ 0	\$ 147,358,274
	A&I-2	4	F-2	Direct Operating - Employee Benefits	\$ 59,602,009	\$ 0	\$ 59,602,009
	A&I-2	4	F-3	Direct Operating - Other Professional Fees	\$ 3,384	\$ 0	\$ 3,384
	A&I-2	4	F-4	Direct Operating - Purchased Services	\$ 112,358,513	\$ 0	\$ 112,358,513
	A&I-2	4	F-5	Direct Operating - Supplies	\$ 17,431,629	\$ 0	\$ 17,431,629
	A&I-2	5	A-1-a	Productive Salaries - Management and Supervision	\$ 13,712,130	\$ 0	\$ 13,712,130
	A&I-2	5	A-1-b	Productive Hours	230,002	0	230,002
	A&I-2	5	A-2-a	Productive Salaries - Technicians and Specialists	\$ 11,835,406	\$ 0	\$ 11,835,406
	A&I-2	5	A-2-b	Productive Hours	251,656	0	251,656
	A&I-2	5	A-3-a	Productive Salaries - Registered Nurses	\$ 64,364,301	\$ 0	\$ 64,364,301
	A&I-2	5	A-3-b	Productive Hours	1,066,237	0	1,066,237

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Report Reference				Explanation of Revisions	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	A&I-2	5	A-4-a	Productive Salaries - Licensed Vocational Nurses	\$ 1,334,476	\$ 0	\$ 1,334,476
	A&I-2	5	A-4-b	Productive Hours	41,485	0	41,485
	A&I-2	5	A-5-a	Productive Salaries - Aides and Orderlies	\$ 5,530,068	\$ 0	\$ 5,530,068
	A&I-2	5	A-5-b	Productive Hours	244,035	0	244,035
	A&I-2	5	A-6-a	Productive Salaries - Physicians (Salaried)	\$ 0	\$ 0	\$ 0
	A&I-2	5	A-6-b	Productive Hours	0	0	0
	A&I-2	5	A-7-a	Productive Salaries - Nonphysician Medical Practitioners	\$ 241,176	\$ 0	\$ 241,176
	A&I-2	5	A-7-b	Productive Hours	9,701	0	9,701
	A&I-2	5	A-8-a	Productive Salaries - Environmental and Food Services	\$ 0	\$ 0	\$ 0
	A&I-2	5	A-8-b	Productive Hours	0	0	0
	A&I-2	5	A-9-a	Productive Salaries - Clerical and Other Administrative	\$ 10,583,517	\$ 0	\$ 10,583,517
	A&I-2	5	A-9-b	Productive Hours	450,203	0	450,203
	A&I-2	5	A-10-a	Productive Salaries - Other	\$ 22,011,678	\$ 0	\$ 22,011,678
	A&I-2	5	A-10-b	Productive Hours	775,679	0	775,679
	N/A	N/A	A-11-a	Nonproductive Salaries	\$ 17,745,521	\$ 0	\$ 17,745,521
	N/A	N/A	A-11-b	Nonproductive Hours	406,774	0	406,774

**AUDIT REVISIONS**

Provider: KAISER FOUNDATION HOSPITAL - HAYWARD				Provider No. ZZR00512F	Fiscal Period: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007	No. of Rev: 1	
Report Reference				Explanation of Revisions	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	N/A	N/A	B 1	Subtotal Productive Salaries	\$ 129,612,752	\$ 0	\$ 129,612,752
	N/A	N/A	B 2	Subtotal Productive Hours	3,068,998	0	3,068,998
	N/A	N/A	C	Total Productive and Nonproductive Salaries	\$ 147,358,273	\$ 0	\$ 147,358,273
	N/A	N/A	D	Total Productive and Nonproductive Hours	3,475,772	0	3,475,772

To adjust the Rate Development Worksheets to agree with the Report of Findings from the Informal Appeal dated August 9, 2011  
Case No. RD11-1207-465B-LA, Issue No. 3

