APPEAL RECOMPUTATION
OF MEDI-CAL RATE
DEVELOPMENT WORKSHEETS

KAISER FOUNDATION HOSPITAL – SANTA ROSA
SANTA ROSA, CALIFORNIA
PROVIDER NUMBER: HSP30690F AND
NPI NUMBER: 1407925928

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

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

TOBY DOUGLAS
DIRECTOR

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 – SANTA ROSA
PROVIDER NO. HSP30690F
NPI NO. 1407925928
FISCAL PERIOD ENDED DECEMBER 31, 2007
CASE NO. RD11-1207-474B-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
Financial Audits Branch

Certified

cc: See Next Page

850 Marina Bay Parkway, Building P, 2nd Floor, MS 2104, Richmond, CA 94804-6403
Telephone: (510) 620-3100 FAX: (510) 620-3111
Internet Address: www.dhcs.ca.gov

cc: Evie Correa, Chief
Audit Review and Analysis Section
Department of Health Care Services
1500 Capitol Avenue, Suite 72.620
MS 2109
P.O. Box 997413
Sacramento, CA 95899-7413

Chris Opara, Chief
Non-Contracting Hospital Recoupment Unit
Department of Health Care Services
1501 Capitol Avenue, Suite 2110
MS 4518
P.O. Box 997436
Sacramento, CA 95899-7436

John Melton, Chief
Administrative Appeals
Department of Health Care Services
1029 J Street, Suite 200
MS 0017
Sacramento, CA 95814

RATE DEVELOPMENT WORKSHEETS

PROVIDER: KAISER FOUNDATION HOSPITAL - SANTA ROSA
PROVIDER NO. HSP30690F
FISCAL PERIOD: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007
CONTRACT PERIOD: NOT APPLICABLE

ACUTE CARE ONLY	Noncontract Cost Settlement	Medi-Cal For Contract Services	Medi-Cal Total For Fiscal Period
A. Medi-Cal Net Cost of Covered Services Plus Hospital-Based Physician Costs, Excluding Return on Equity (Rev. 1)	$ 1,574,181	$ 0	$ 1,574,181
B. Deductibles and Coinsurance (Third Party Liability)	$ 0	$	$ 0
C. Medi-Cal Inpatient Days			
1. Routine (Adults & Pediatrics)	450	0	450
2. ICU	95	0	95
3. CCU			
4. Nursery	129	0	129
5. NICU			
6. Other (Specify)			
a.			
b.			
D. Total Hospital Discharges	N/A	N/A	8,978
E. Total Medi-Cal Discharges	184	0	184
F. Total Medi-Cal Inpatient Charges/Units	$ 2,270,079	$ 0	$ 2,270,079

RATE DEVELOPMENT WORKSHEETS

PROVIDER: **KAISER FOUNDATION HOSPITAL - SANTA ROSA**
PROVIDER NO. **HSP30690F**
FISCAL PERIOD: **JANUARY 1, 2007 THROUGH DECEMBER 31, 2007**
CONTRACT PERIOD: **NOT APPLICABLE**

A.	EXPENSE PASS-THROUGH DATA	REFERENCE		
1.	Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	$	6,537,107
2.	Rent and Lease Expense:	8820, and/or .75 and .76	$	4,215,861
3.	Interest Expense:	8860, 8870	$	529,512
4.	Property Taxes and License Fees:	8850 and/or .83	$	238,699
5.	Utility Expense:	.77, .78, .79, and .80	$	2,226,027
6.	Malpractice Insurance Expense:	8830 and/or .81	$	699,420
B.	GROSS OPERATING EXPENSES	Sch 10, line 101, col. 3	$	194,761,553
C.	STUDENT AND PHYSICIANS COMPENSATION			
1.	Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	$	85,632
2.	Professional Fees	.20	$	0
D.	PHARMACY NONLABOR EXPENSES	8390.37 and 8390.38	$	2,664,320
E.	FOOD SERVICES NONLABOR EXPENSES	8320, 8330 and 8340 and/or .42 and .43	$	413,134
F.	DIRECT OPERATING COSTS			
1.	Salaries and Wages	.00 - .09, .91, .95	$	58,257,919
2.	Employee Benefits	.10 - .19, .92, .96	$	23,640,359
3.	Other Professional Fees	.21 - .29	$	0
4.	Purchased Services	.61 - .69	$	47,827,312
5.	Supplies	.31 - .36, .93, .97	$	8,627,834

RATE DEVELOPMENT WORKSHEETS

PROVIDER: KAISER FOUNDATION HOSPITAL - SANTA ROSA
PROVIDER NO. HSP30690F
FISCAL PERIOD: JANUARY 1, 2007 THROUGH DECEMBER 31, 2007
CONTRACT PERIOD: NOT APPLICABLE

A. DIRECT PAYROLL COSTS (Totals)	REFERENCE		
1. Management and Supervision			
a. Productive Salaries	.00	$	6,772,238
b. Productive Hours			115,048
2. Technicians and Specialists			
a. Productive Salaries	.01	$	4,863,534
b. Productive Hours			139,695
3. Registered Nurses			
a. Productive Salaries	.02	$	25,188,091
b. Productive Hours			419,679
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	$	291,641
b. Productive Hours			9,144
5. Aides and Orderlies			
a. Productive Salaries	.04	$	2,077,891
b. Productive Hours			92,763
6. Physicians (Salaried)			
a. Productive Salaries	.07	$	0
b. Productive Hours			0
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	$	214,078
b. Productive Hours			9,974
8. Environmental and Food Services			
a. Productive Salaries	.06	$	0
b. Productive Hours			0
9. Clerical and Other Administrative			
a. Productive Salaries	.05	$	4,162,095
b. Productive Hours			173,597
10. Other Salaries and Wages			
a. Productive Salaries	.09	$	7,886,634
b. Productive Hours			266,212
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	$	6,801,717
b. Nonproductive Hours	Report or Provider W/P		154,436
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		$	51,456,202
2. Productive Hours (lines 1b - 10b)			1,226,112
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		$	58,257,919
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			1,380,548

AUDIT REVISIONS

Provider:	Provider No.	Fiscal Period:	No. of Rev:
KAISER FOUNDATION HOSPITAL - SANTA ROSA	HSP30690F	JANUARY 1, 2007 THROUGH DECEMBER 31, 2007	1

Report Reference							
Rev. No.	Form	Page	Line	Explanation of Revisions	Audited	Increase (Decrease)	Revised
				REVISIONS TO RATE DEVELOPMENT WORKSHEETS			
1	A&I-2	3	A	Medi-Cal Net Cost of Covered Services - Noncontract	$ 1,601,000	$ (26,819)	$ 1,574,181
	A&I-2	3	A	Medi-Cal Net Cost of Covered Services - Contract	$	$ 0	$
	A&I-2	3	B	Deductibles and Coinsurance - Noncontract	$ 0	$ 0	$ 0
	A&I-2	3	B	Deductibles and Coinsurance - Contract	$	$ 0	$
	A&I-2	3	C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract	450	0	450
	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	95	0	95
	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	129	0	129
	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	0	0	0
	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	

AUDIT REVISIONS

Provider:	Provider No.	Fiscal Period:	No. of Rev:
KAISER FOUNDATION HOSPITAL - SANTA ROSA	HSP30690F	JANUARY 1, 2007 THROUGH DECEMBER 31, 2007	1

Report Reference							
Rev. No.	Form	Page	Line	Explanation of Revisions	Audited	Increase (Decrease)	Revised
	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	8,978	0	8,978
	A&I-2	3	E	Total Medi-Cal Discharges - Acute - Noncontract	184	0	184
	A&I-2	3	E	Total Medi-Cal Discharges - Acute - Contract		0	
	A&I-2	3	F	Total Medi-Cal Inpatient Charges/Units - Noncontract	$ 2,270,079	$ 0	$ 2,270,079
	A&I-2	3	F	Total Medi-Cal Inpatient Charges - Contract	$	$ 0	$
	A&I-2	4	A-1	Depreciation Expense	$ 6,537,107	$ 0	$ 6,537,107
	A&I-2	4	A-2	Rent and Lease Expense	$ 4,215,861	$ 0	$ 4,215,861
	A&I-2	4	A-3	Interest Expense	$ 529,512	$ 0	$ 529,512
	A&I-2	4	A-4	Property Taxes and License Fees	$ 238,699	$ 0	$ 238,699
	A&I-2	4	A-5	Utility Expenses	$ 2,226,027	$ 0	$ 2,226,027
	A&I-2	4	A-6	Malpractice Insurance Expense	$ 699,420	$ 0	$ 699,420
	A&I-2	4	B	Gross Operating Expenses	$ 194,761,553	$ 0	$ 194,761,553
	A&I-2	4	C-1	Student and Physician Salaries	$ 85,632	$ 0	$ 85,632

AUDIT REVISIONS

Provider:	Provider No.	Fiscal Period:	No. of Rev:
KAISER FOUNDATION HOSPITAL - SANTA ROSA	HSP30690F	JANUARY 1, 2007 THROUGH DECEMBER 31, 2007	1

Report Reference							
Rev. No.	Form	Page	Line	Explanation of Revisions	Audited	Increase (Decrease)	Revised
	A&I-2	4	C-2	Professional Fees	$ 0	$ 0	$ 0
	A&I-2	4	D	Pharmacy Nonlabor Expense	$ 2,664,320	$ 0	$ 2,664,320
	A&I-2	4	E	Food Services Nonlabor Expense	$ 413,134	$ 0	$ 413,134
	A&I-2	4	F-1	Direct Operating - Salaries and Wages	$ 58,257,919	$ 0	$ 58,257,919
	A&I-2	4	F-2	Direct Operating - Employee Benefits	$ 23,640,359	$ 0	$ 23,640,359
	A&I-2	4	F-3	Direct Operating - Other Professional Fees	$ 0	$ 0	$ 0
	A&I-2	4	F-4	Direct Operating - Purchased Services	$ 47,827,312	$ 0	$ 47,827,312
	A&I-2	4	F-5	Direct Operating - Supplies	$ 8,627,834	$ 0	$ 8,627,834
	A&I-2	5	A-1-a	Productive Salaries - Management and Supervision	$ 6,772,238	$ 0	$ 6,772,238
	A&I-2	5	A-1-b	Productive Hours	115,048	0	115,048
	A&I-2	5	A-2-a	Productive Salaries - Technicians and Specialists	$ 4,863,534	$ 0	$ 4,863,534
	A&I-2	5	A-2-b	Productive Hours	139,695	0	139,695
	A&I-2	5	A-3-a	Productive Salaries - Registered Nurses	$ 25,188,091	$ 0	$ 25,188,091
	A&I-2	5	A-3-b	Productive Hours	419,679	0	419,679

AUDIT REVISIONS

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Report Reference							
Rev. No.	Form	Page	Line	Explanation of Revisions	Audited	Increase (Decrease)	Revised
	A&I-2	5	A-4-a	Productive Salaries - Licensed Vocational Nurses	$ 291,641	$ 0	$ 291,641
	A&I-2	5	A-4-b	Productive Hours	9,144	0	9,144
	A&I-2	5	A-5-a	Productive Salaries - Aides and Orderlies	$ 2,077,891	$ 0	$ 2,077,891
	A&I-2	5	A-5-b	Productive Hours	92,763	0	92,763
	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	$ 214,078	$ 0	$ 214,078
	A&I-2	5	A-7-b	Productive Hours	9,974	0	9,974
	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	$ 4,162,095	$ 0	$ 4,162,095
	A&I-2	5	A-9-b	Productive Hours	173,597	0	173,597
	A&I-2	5	A-10-a	Productive Salaries - Other	$ 7,886,634	$ 0	$ 7,886,634
	A&I-2	5	A-10-b	Productive Hours	266,212	0	266,212
	N/A	N/A	A-11-a	Nonproductive Salaries	$ 6,801,717	$ 0	$ 6,801,717
	N/A	N/A	A-11-b	Nonproductive Hours	154,436	0	154,436

AUDIT REVISIONS

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Report Reference							
Rev. No.	Form	Page	Line	Explanation of Revisions	Audited	Increase (Decrease)	Revised
	N/A	N/A	B 1	Subtotal Productive Salaries	$ 51,456,202	$ 0	$ 51,456,202
	N/A	N/A	B 2	Subtotal Productive Hours	1,226,112	0	1,226,112
	N/A	N/A	C	Total Productive and Nonproductive Salaries	$ 58,257,919	$ 0	$ 58,257,919
	N/A	N/A	D	Total Productive and Nonproductive Hours	1,380,548	0	1,380,548

To adjust the Rate Development Worksheets to agree with the Report
of Findings from the Informal Appeal dated August 9, 2011
Case No. RD11-1207-474B-LA, Issue No. 3

FINANCIAL AUDITS BRANCH
DETERMINATION OF MEDI-CAL DISCHARGES

PROVIDER	PROVIDER NO.	FPE
KAISER FOUNDATION HOSPITAL - SANTA ROSA	HSP30690F	DECEMBER 31, 2007

SOURCE: Paid Claims Detail Report (Report 140)

MONTH/YR	TOTAL LINES	ADJUSTMENTS						ADJUSTED TOTAL
		NURSERY	DB & CR ENTRIES	ZERO DAYS	30 & 31 CODES	"V" CODE	OTHER (EXPLAIN)	
Jan-2007	18			(2)				16
Feb-2007	16							16
Mar-2007	13							13
Apr-2007	23	(1)						22
May-2007	20							20
Jun-2007	9							9
Jul-2007	20							20
Aug-2007	17							17
Sep-2007	8							8
Oct-2007	11							11
Nov-2007	13	(1)						12
Dec-2007	21				(1)			20
TOTALS	**189**	**(2)**		**(2)**	**(1)**			**184**
TOTAL MEDI-CAL DISCHARGES NON-CONTRACT - REPORTED (RDB Schedule, Page 3, Line E)								**127**
AUDIT ADJUSTMENT (TITLE 22, CCR, SECTIONS 51536 AND 51545)								**57**