

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

**PLACENTIA LINDA COMMUNITY HOSPITAL
PLACENTIA, CALIFORNIA
PROVIDER NUMBER: HSC/HSP 30589I
NATIONAL PROVIDER IDENTIFIER: 1700817756**

**FISCAL PERIOD ENDED
May 31, 2007**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditors: Emmanuel Ngati and Ted Ha**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

Date: April 6, 2010

Hank Irick
Senior Director
Tenet Healthcare Corporation
Reimbursement Services
1445 Ross Avenue, Suite 1400
Dallas, TX 75202-2703

PROVIDER: PLACENTIA LINDA HOSPITAL
PROVIDER NO. HSC30589I AND HSP30589I
FISCAL PERIOD ENDED MAY 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.

If you disagree with the decision of the Department, you may appeal by writing to:

Hank Irick
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Chief
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2878
(916) 322-5603

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: PLACENTIA LINDA COMMUNITY HOSPITAL
PROVIDER NO. HSP40589I
FISCAL PERIOD: JUNE 1, 2006
CONTRACT PERIOD: MAY 31, 2007

	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 (AdjS. 1,2)	\$ 292,035		\$ 78,252		\$ 370,287
B. Deductibles and Coinsurance (Third Party Liability) (Adj. 3)	\$ (826)				\$ (826)
C. Medi-Cal Inpatient Days (Adjs. 4,5,6,7)					
1. Routine (Adults & Pediatrics)	76		38		114
2. ICU	16		1		17
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges ** (Adj.)	N/A		N/A		4,069
E. Total Medi-Cal Discharges** (Adj. 8)	28				28
F. Total Medi-Cal Inpatient Charges (Adjs. 9,10)	\$ 1,109,702		\$ 427,136		\$ 1,536,838

(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: PLACENTIA LINDA COMMUNITY HOSPITAL
PROVIDER NO. HSP40589I
FISCAL PERIOD: JUNE 1, 2006
CONTRACT PERIOD: MAY 31, 2007

A. EXPENSE PASS-THROUGH DATA	<u>REFERENCE</u>		
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	1,831,113
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	327,531
3. Interest Expense:	8860, 8870	\$	
4. Property Taxes and License Fees:	8850 and/or .83	\$	306,780
5. Utility Expense:	.77, .78, .79, and .80	\$	643,172
6. Malpractice Insurance Expense:	8830 and/or .81	\$	1,009,887
 B. GROSS OPERATING EXPENSES	 Sch 10, line 101, col. 3	 \$	 49,995,555
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	438,580
 D. PHARMACY NONLABOR EXPENSES	 8390.37 and 8390.38	 \$	 1,633,746
 E. FOOD SERVICES NONLABOR EXPENSES	 8320, 8330 and 8340 and/or .42 and .43	 \$	 329,212
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	19,780,249
2. Employee Benefits	.10 - .19, .92, .96	\$	5,590,960
3. Other Professional Fees	.21 - .29	\$	383,721
4. Purchased Services	.61 - .69	\$	6,422,733
5. Supplies	.31 - .36, .93, .97	\$	5,523,583
6. Other Direct Operating Expense	.85 - .90	\$	

RATE DEVELOPMENT WORKSHEETS

PROVIDER: PLACENTIA LINDA COMMUNITY HOSPITAL
PROVIDER NO. HSP40589I
FISCAL PERIOD: JUNE 1, 2006
CONTRACT PERIOD: MAY 31, 2007

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	2,356,776
b. Productive Hours			54,523.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	3,928,338
b. Productive Hours			134,696.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	5,539,074
b. Productive Hours			146,514.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	470,171
b. Productive Hours			22,269.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	318,390
b. Productive Hours			22,368.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	37,225
b. Productive Hours			1,795.00
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	588,686
b. Productive Hours			44,622.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	2,320,359
b. Productive Hours			123,136.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	3,138,201
b. Productive Hours	Report or Provider W/P		70,536.00
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		\$	<u>15,559,019</u>
2. Productive Hours (lines 1b - 10b)			<u>549,923.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		\$	<u>18,697,220</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			<u>620,459.00</u>

AUDIT ADJUSTMENTS

Provider: PLACENTIA LINDA COMMUNITY HOSPITAL		Provider No. HSP405891	Fiscal Period: JUNE 1, 2006	No. of Adjs: 10			
Report Reference		Explanation of Audit Adjustments		Reported	Increase (Decrease)	Audited	
Adj. No.	Form	Page	Line				
<u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u>							
1	A&I-2	1	A	Medi-Cal Net Cost of Covered Services - Noncontract	\$ 244,399	\$ 47,636	\$ 292,035
2	A&I-2	1	A	Medi-Cal Net Cost of Covered Services - Contract	\$ 83,136	\$ (4,884)	\$ 78,252
3	A&I-2	1	B	Deductibles and Coinsurance - Noncontract	\$	\$ (826)	\$ (826)
4	A&I-2	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract	118	(42)	76
5	A&I-2	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Contract	35	3	38
6	A&I-2	1	C-2	Medi-Cal Inpatient Days - ICU - Noncontract	11	5	16
7	A&I-2	1	C-2	Medi-Cal Inpatient Days - ICU - Contract	3	(2)	1
8	A&I-2	1	E	Total Medi-Cal Discharges - Acute - Noncontract	12	16	28
9	A&I-2	1	F	Total Medi-Cal Inpatient Charges - Noncontract	\$ 1,268,912	\$ (159,210)	\$ 1,109,702
10	A&I-2	1	F	Total Medi-Cal Inpatient Charges - Contract	\$ 411,877	\$ 15,259	\$ 427,136

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

Title 22, CCR, Section 51536

