

**REPORT ON THE AUDIT OF
RATE DEVELOPMENT SCHEDULES**

**PIONEERS MEMORIAL HEALTHCARE DISTRICT
BRAWLEY, CALIFORNIA
PROVIDER NUMBER: ZZT30342F
NATIONAL PROVIDER IDENTIFIER: 1073519443**

**FISCAL PERIOD ENDED
JUNE 30, 2007**

**Audits Section—San Diego
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Patricia M. Fox
Audit Supervisor: Sergio Gonzalez
Auditors: Bernadette Pantoya/Jing H. Zhang**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 22, 2012

Administrator
Pioneers Memorial Healthcare District
207 West Legion Road
Brawley, CA 92227

PIONEERS MEMORIAL HEALTHCARE DISTRICT
PROVIDER NUMBER ZZT30342F
NATIONAL PROVIDER IDENTIFIER (NPI) 1073519443
FISCAL PERIOD ENDED JUNE 30, 2007

We have examined the Rate Development 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 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 Schedules
2. Audit Adjustments Schedule
3. Medi-Cal Discharges

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 Benefits, Waiver Analysis and Rates Division 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:

Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(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

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
(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—San Diego at (619) 688-3200.

Original Signed by:

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME PIONEERS MEMORIAL HEALTHCARE DISTRICT
PROVIDER NO., NPI ZZT30342F, 1073519443
FISCAL PERIOD JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD N/A

	Noncontract Cost Services		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 (Schedule 1, Line 1) (Adj. 1)	\$ 11,659,147		\$		\$ 11,659,147
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj. 2)	\$ 94,659		\$		\$ 94,659
C. Medi-Cal Inpatient Days (Adjs. 3-5) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)	3,326				3,326
2. ICU	453				453
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a. LDRP	1,911				1,911
b.					
D. Total Hospital Discharges ***	N/A		N/A		5,139
E. Total Medi-Cal Discharges*** (Adj. 6)		1,829			1,829
F. Total Medi-Cal Inpatient Charges (Schedule 2, Line 4) (Adj. 7)	\$ 29,537,799		\$		\$ 29,537,799

* Data for NF or Administrative Days are not included.

** The Audited Net Cost of Covered Services is Net of Deductibles and Coinsurance and is from a source different than used on the filed report.

*** Data for newborns that were born in the hospital are not included.

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	PIONEERS MEMORIAL HEALTHCARE DISTRICT
PROVIDER NO., NPI	ZZT30342F, 1073519443
FISCAL PERIOD	JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Adj. 8)	8810 - 8813, and/or .71, .72, .73 and .74	\$	3,305,650
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	849,273
3. Interest Expense:	8860, 8870	\$	1,346,113
4. Property Taxes and License Fees: (Adj. 9)	8850 and/or .83	\$	32,659
5. Utility Expense: (Adj. 10)	.77, .78, .79, and .80	\$	1,148,344
6. Malpractice Insurance Expense:	8830 and/or .81	\$	1,241,051
B. GROSS OPERATING EXPENSES (Adj. 11)	Sch 10, line 101, col. 3	\$	61,768,664
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	2,720,576
D. PHARMACY NONLABOR EXPENSE (Adj. 12)	8390.37 and 8390.38	\$	2,263,014
E. FOOD SERVICES NONLABOR EXPENSE (Adj. 13)	8320, 8330 and 8340 and/or .42 and .43	\$	479,115
F. DIRECT OPERATING COSTS			
1. Salaries and Wages (Adj. 14)	.00 - .09, .91, .95	\$	22,485,699
2. Employee Benefits (Adj. 15)	.10 - .19, .92, .96	\$	9,183,428
3. Other Professional Fees (Adj. 16)	.21 - .29	\$	399,474
4. Purchased Services (Adj. 17)	.61 - .69	\$	10,337,240
5. Supplies (Adj. 18)	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	7,804,010
6. Other Direct Operating Expense (Adj. 19)	.85 - .90	\$	1,152,939

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	PIONEERS MEMORIAL HEALTHCARE DISTRICT
PROVIDER NO., NPI	ZZT30342F, 1073519443
FISCAL PERIOD	JULY 1, 2006 THROUGH JUNE 30, 2007
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	3,830,375
b. Productive Hours			95,349.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	4,502,340
b. Productive Hours			163,050.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	6,725,607
b. Productive Hours			192,966.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	578,811
b. Productive Hours			29,484.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	1,604,252
b. Productive Hours			130,565.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	292,026
b. Productive Hours			4,032.00
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	223,420
b. Productive Hours			5,055.00
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	1,418,454
b. Productive Hours			114,901.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	3,186,469
b. Productive Hours			220,360.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	123,944
b. Productive Hours			7,589.00
11. All Nonproductive Salaries and Wages (Adj. 20)			
a. Nonproductive Salaries	Labor Distribution	\$	2,554,793
b. Nonproductive Hours	Report or Provider W/P		129,785.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	<u>22,485,698</u>
2. Productive Hours (lines A1b - A10b)			<u>963,351.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1) (Adj. 21)		\$	<u><u>25,040,491</u></u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u><u>1,093,136.00</u></u>

Provider Name				Fiscal Period	Provider No., NPI	Adjustments	
PIONEERS MEMORIAL HEALTHCARE DISTRICT				JULY 1, 2006 THROUGH JUNE 30, 2007	ZZT30342F, 1073519443	21	
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 10,884,614	\$ 774,533	\$ 11,659,147
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$	\$	\$
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 71,008	\$ 23,651	\$ 94,659
	1	3	B	Deductibles and Coinsurance—Contract	\$	\$	\$
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	3,034	292	3,326
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract			
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	352	101	453
	1	3	C 2	Medi-Cal Inpatient Days—ICU—Contract			
	1	3	C 3	Medi-Cal Inpatient Days—CCU—Noncontract			
	1	3	C 3	Medi-Cal Inpatient Days—CCU—Contract			
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract			
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Contract			
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract			
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Contract			
5	1	3	C 6 a	Medi-Cal Inpatient Days—LDRP—Noncontract	1,866	45	1,911
	1	3	C 6 a	Medi-Cal Inpatient Days—LDRP—Contract			
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Noncontract			
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Contract			

Provider Name				Fiscal Period	Provider No., NPI	Adjustments	
PIONEERS MEMORIAL HEALTHCARE DISTRICT				JULY 1, 2006 THROUGH JUNE 30, 2007	ZZT30342F, 1073519443	21	
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
	1	3	D	Total Hospital Discharges			
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	2,042	(213)	1,829
	1	3	E	Total Medi-Cal Discharges—Acute—Contract			
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 24,889,086	\$ 4,648,713	\$ 29,537,799
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$	\$	\$
8	2	4	A 1	Depreciation Expense	\$ 3,315,490	\$ (9,840)	\$ 3,305,650
	2	4	A 2	Rent and Lease Expense	\$	\$	\$
	2	4	A 3	Interest Expense	\$	\$	\$
9	2	4	A 4	Property Taxes and License Fees	\$ 32,656	\$ 3	\$ 32,659
10	2	4	A 5	Utility Expense	\$ 1,056,056	\$ 92,288	\$ 1,148,344
	2	4	A 6	Malpractice Insurance Expense	\$	\$	\$
11	2	4	B	Gross Operating Expenses	\$ 65,615,889	\$ (3,847,225)	\$ 61,768,664
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$	\$	\$
	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$	\$	\$
12	2	4	D	Pharmacy Nonlabor Expense	\$ 3,310,916	\$ (1,047,902)	\$ 2,263,014

Provider Name				Fiscal Period		Provider No., NPI		Adjustments
PIONEERS MEMORIAL HEALTHCARE DISTRICT				JULY 1, 2006 THROUGH JUNE 30, 2007		ZZT30342F, 1073519443		21
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted	
Adj. No.	Audit Report Page	RD Schedule						
		Page	Line					
13	2	4	E	Food Services Nonlabor Expense	\$ 703,173	\$ (224,058)	\$ 479,115	
14	2	4	F 1	Direct Operating—Salaries and Wages	\$ 25,040,492	\$ (2,554,793)	\$ 22,485,699	
15	2	4	F 2	Direct Operating—Employee Benefits	\$ 6,799,512	\$ 2,383,916	\$ 9,183,428	
16	2	4	F 3	Direct Operating—Other Professional Fees	\$ 5,458,561	\$ (5,059,087)	\$ 399,474	
17	2	4	F 4	Direct Operating—Purchased Services	\$ 5,278,060	\$ 5,059,180	\$ 10,337,240	
18	2	4	F 5	Direct Operating—Supplies	\$ 10,679,162	\$ (2,875,152)	\$ 7,804,010	
19	2	4	F 6	Direct Operating—Other Direct Operating Expense	\$ 0	\$ 1,152,939	\$ 1,152,939	
	3	5	A 1 a	Management and Supervision—Productive Salaries	\$	\$	\$	
	3	5	A 1 b	Management and Supervision—Productive Hours				
	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$	\$	\$	
	3	5	A 2 b	Technicians and Specialists—Productive Hours				
	3	5	A 3 a	Registered Nurses—Productive Salaries	\$	\$	\$	
	3	5	A 3 b	Registered Nurses—Productive Hours				
	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$	\$	\$	
	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours				
	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$	\$	\$	
	3	5	A 5 b	Aides and Orderlies—Productive Hours				

Provider Name				Fiscal Period	Provider No., NPI	Adjustments	
PIONEERS MEMORIAL HEALTHCARE DISTRICT				JULY 1, 2006 THROUGH JUNE 30, 2007	ZZT30342F, 1073519443	21	
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule					
		Page	Line				
	3	5	A 6 a	Physicians (Salaried)—Productive Salaries	\$	\$	\$
	3	5	A 6 b	Physicians (Salaried)—Productive Hours			
	3	5	A 7 a	Nonphysician Medical Practitioners—Productive Salaries	\$	\$	\$
	3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours			
	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$	\$	\$
	3	5	A 8 b	Environmental and Food Services—Productive Hours			
	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$	\$	\$
	3	5	A 9 b	Clerical and Other Administrative—Productive Hours			
	3	5	A 10 a	Other Salaries and Wages—Productive Salaries	\$	\$	\$
	3	5	A 10 b	Other Salaries and Wages—Productive Hours			
20	3	5	A 11a	Nonproductive Salaries and Wages	\$ 2,566,108	\$ (11,315)	\$ 2,554,793
	3	5	A 11b	Nonproductive Hours			
	3	5	B 1	Subtotal Productive Salaries	\$	\$	\$
	3	5	B 2	Subtotal Productive Hours			
21	3	5	C	Total Productive and Nonproductive Salaries	\$ 25,051,806	\$ (11,315)	\$ 25,040,491
	3	5	D	Total Productive and Nonproductive Hours			
				To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536			

MEDI-CAL DISCHARGES

PROVIDER NAME PIONEERS MEMORIAL HEALTHCARE DISTRICT	PROVIDER NO., NPI ZZT30342F, 1073519443	FPE JUNE 30, 2007
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MONTH/YR	RUN PAGE NUMBER	TOTAL LINES	ADJUSTMENTS						ADJUSTED TOTAL
			NURSERY	DB & CR ENTRIES	ZERO DAYS	30 & 31 CODES	"V" CODE	ADMIN DAYS	
07/06	1 (ZZT)	21		2		3	2		14
07/06	2	24				2	5		17
07/06	3	24	2	2			3		17
07/06	4	24	2				8		14
07/06	5	24		2		1	4		17
07/06	6	24	2			3	2		17
07/06	7	24		2		2	4		16
07/06	8	24		2		4	2		16
07/06	9	24	4	4		4	1		11
07/06-08/06	10	24	2	6		2	2		12
08/06	11	24	1			1	6		16
08/06	12	24	1	2		1	6		14
08/06	13	24	2	4			4		14
08/06	14	24	1			4	2		17
08/06	15	24	1	2		2			19
08/06	16	24				2	4		18
08/06	17	24		4		4	1		15
08/06	18	24		2		3	1		18
08/06-09/06	19	24		4		3	4		13
09/06	20	24	2			2	3		17
09/06	21	24							24
09/06	22	24				4	1		19
09/06	23	24	3	2		1	1		17
09/06	24	24	1	2		1	2		18
09/06	25	24		2		2	2		18
09/06	26	24	2			1	3		18
09/06	27	24	2			1			21
09/06-10/06	28	24	2	2		3			17
10/06	29	24	1	4					19
10/06	30	24	1	4		1			18
10/06	31	24	1				2		21
10/06	32	24		2		1	2	1	18
10/06	33	24	1			1	8		14
10/06	34	24	5	2			4		13
10/06	35	24	1	2		2	1		18
10/06	36	24	1	2		3			18
10/06	37	24	1	2		4			17
11/06	38	24		2		2	2		18
11/06	39	24	2			2	1		19
11/06	40	24				1	6		17
11/06	41	24	1			1	2		20
11/06	42	24		2		3	2		17
11/06	43	24	1	2					21
11/06	44	24	4			1	2		17
11/06	45	24	3			1	3		17
11/06-12/06	46	24	2	2		3	1		16
12/06	47	24	1	4		1			18
12/06	48	24	1		1	1			21
12/06	49	24	2			1			21
12/06	50	24				2	2		20
12/06	51	24					2		22

MEDI-CAL DISCHARGES

PROVIDER NAME PIONEERS MEMORIAL HEALTHCARE DISTRICT	PROVIDER NO., NPI ZZT30342F, 1073519443	FPE JUNE 30, 2007
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MONTH/YR	RUN PAGE NUMBER	TOTAL LINES	ADJUSTMENTS						ADJUSTED TOTAL
			NURSERY	DB & CR ENTRIES	ZERO DAYS	30 & 31 CODES	"V" CODE	ADMIN DAYS	
12/06	52	24		2		1			21
12/06	53	24				1	2		21
12/06	54	24	1				2		21
01/07	55	24	1				4		19
01/07	56	24	1			2			21
01/07	57	24				4	2		18
01/07	58	24	1			2			21
01/07	59	24				1	6		17
01/07	60	24	3				5		16
01/07	61	24				1	4		19
01/07	62	24	1			2	6		15
01/07	63	24	1			2		1	20
01/07-02/07	64	24				2	2		20
02/07	65	24				1	2		21
02/07	66	24	1			1	6		16
02/07	67	24	1	2		1			20
02/07	68	24	2			1	4		17
02/07	69	24				2			22
02/07	70	24				1	2		21
02/07-03/07	71	24				4	4		16
02/07-03/07	72	24				3			21
03/07	73	24	1				8		15
03/07	74	24				1	6		17
03/07	75	24				1	4		19
03/07	76	24	2			2			20
03/07	77	24	1	2		2	2		17
03/07-04/07	78	24	1	1		2	1		19
03/07	79	24	1						23
03/07-04/07	80	24	1			4	2		17
04/07	81	24				4	2		18
04/07	82	24	1	1		4			18
04/07	83	24	1				2		21
04/07	84	24				4			20
04/07	85	24				1			23
05/07	86	24	3			1			20
05/07	87	24	1			2	2		19
05/07	88	24	1			2	2		19
05/07	89	24				2	2		20
05/07	90	24					8		16
05/07	91	24	1			4			19
05/07	92	24	1			2			21
06/07	93	24	1						23
06/07	94	24				2	4		18
06/07	95	24	2		1	3	2		16
06/07	96	24					2		22
06/07	97	24				4			20
06/07	98	24	1			1	6		16
06/07	99	24				3			21
06/07	100	1				1			0
									0
07/06-01/07	1 (NPI)	21	1	4		10		2	4

MEDI-CAL DISCHARGES

PROVIDER NAME PIONEERS MEMORIAL HEALTHCARE DISTRICT	PROVIDER NO., NPI ZZT30342F, 1073519443	FPE JUNE 30, 2007
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MONTH/YR	RUN PAGE NUMBER	TOTAL LINES	ADJUSTMENTS						ADJUSTED TOTAL
			NURSERY	DB & CR ENTRIES	ZERO DAYS	30 & 31 CODES	"V" CODE	ADMIN DAYS	
01/07-04/07	2	24		2		11		9	2
04/07-05/07	3	24	2	2		6		4	10
06/07	4	15	1			5			9
TOTALS			96	92	2	203	219	17	1,829