

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

**EL CENTRO REGIONAL MEDICAL CENTER  
EL CENTRO, CALIFORNIA  
PROVIDER NUMBER: ZZT30045F  
NATIONAL PROVIDER IDENTIFIER: 1861409823**

**FISCAL PERIOD ENDED  
JUNE 30, 2008**

**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

October 30, 2012

Administrator  
El Centro Regional Medical Center  
1415 Ross Avenue  
El Centro, CA 92243-4398

EL CENTRO REGIONAL MEDICAL CENTER  
PROVIDER NUMBER ZZT30045F  
NATIONAL PROVIDER IDENTIFIER (NPI) 1861409823  
FISCAL PERIOD ENDED JUNE 30, 2008

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

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 Fee-For-Service Rates Development Division 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).

Administrator  
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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.

Originally Signed by:

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

Certified

**RATE DEVELOPMENT SCHEDULES**

**PROVIDER NAME** EL CENTRO REGIONAL MEDICAL CENTER  
**PROVIDER NO., NPI** ZZT30045F, 1861409823  
**FISCAL PERIOD** JULY 1, 2007 THROUGH JUNE 30, 2008  
**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)	\$ 12,951,710		\$		\$ 12,951,710
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	\$ 305,774		\$		\$ 305,774
C. Medi-Cal Inpatient Days (Adjs 3-6) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)	5,753				5,753
2. ICU	647				647
3. CCU					
4. Nursery	1,236				1,236
5. NICU	414				414
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges***	N/A		N/A		6,070
E. Total Medi-Cal Discharges*** (Adj 7)		1,790			1,790
F. Total Medi-Cal Inpatient Charges (Schedule 2, Line 4) (Adj 8)	\$ 45,100,873		\$		\$ 45,100,873

\* 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

<b>PROVIDER NAME</b>	<b>EL CENTRO REGIONAL MEDICAL CENTER</b>
<b>PROVIDER NO., NPI</b>	<b>ZZT30045F, 1861409823</b>
<b>FISCAL PERIOD</b>	<b>JULY 1, 2007 THROUGH JUNE 30, 2008</b>
<b>CONTRACT PERIOD</b>	<b>N/A</b>

	<u>REFERENCE</u>		
<b>A. EXPENSE PASS-THROUGH DATA</b>			
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	3,361,590
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	1,705,772
3. Interest Expense:	8860, 8870	\$	1,937,242
4. Property Taxes and License Fees:	8850 and/or .83	\$	27,832
5. Utility Expense:	.77, .78, .79, and .80	\$	1,460,256
6. Malpractice Insurance Expense:	8830 and/or .81	\$	524,073
<b>B. GROSS OPERATING EXPENSES</b> (Adj 9)	Sch 10, line 101, col. 3	\$	78,541,624
<b>C. STUDENT AND PHYSICIANS COMPENSATION</b>			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	2,700,073
<b>D. PHARMACY NONLABOR EXPENSE</b>	8390.37 and 8390.38	\$	2,623,554
<b>E. FOOD SERVICES NONLABOR EXPENSE</b> (Adj 10)	8320, 8330 and 8340 and/or .42 and .43	\$	543,801
<b>F. DIRECT OPERATING COSTS</b>			
1. Salaries and Wages (Adj 11)	.00 - .09, .91, .95	\$	32,590,178
2. Employee Benefits	.10 - .19, .92, .96	\$	9,664,020
3. Other Professional Fees	.21 - .29	\$	4,893,737
4. Purchased Services	.61 - .69	\$	7,178,543
5. Supplies (Adj 12)	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	9,607,903
6. Other Direct Operating Expense (Adj 13)	.85 - .90	\$	2,383,352

**RATE DEVELOPMENT SCHEDULES**

<b>PROVIDER NAME</b>	<b>EL CENTRO REGIONAL MEDICAL CENTER</b>
<b>PROVIDER NO., NPI</b>	<b>ZZT30045F, 1861409823</b>
<b>FISCAL PERIOD</b>	<b>JULY 1, 2007 THROUGH JUNE 30, 2008</b>
<b>CONTRACT PERIOD</b>	<b>N/A</b>

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	5,042,853
b. Productive Hours			123,449.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	5,951,274
b. Productive Hours			239,304.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	9,756,194
b. Productive Hours			293,855.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	482,184
b. Productive Hours			22,848.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	2,300,750
b. Productive Hours			194,609.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	0
b. Productive Hours			0.00
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	190,562
b. Productive Hours			4,588.00
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	1,439,434
b. Productive Hours			114,893.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	3,492,230
b. Productive Hours			264,043.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	19,248
b. Productive Hours			2,220.00
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	3,843,129
b. Nonproductive Hours	Report or Provider W/P		179,494.00
<b>B. SUBTOTAL DIRECT PAYROLL COST</b>			
1. Productive Salaries (lines A1a - A10a)		\$	<u>28,674,729</u>
2. Productive Hours (lines A1b - A10b)			<u>1,259,809.00</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)</b>		<b>\$</b>	<b><u>32,517,858</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)</b>		<b>*</b>	<b><u>1,439,303.00</u></b>

\* Rate Development Branch Schedules incorrectly reported a total of 1,439,903.00 hours.

Provider Name				Fiscal Period		PROVIDER NO., NPI		Adjustments
EL CENTRO REGIONAL MEDICAL CENTER				JULY 1, 2007 THROUGH JUNE 30, 2008		ZZT30045F, 1861409823		13
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted	
Adj. No.	Audit Report Page	RD Schedule Page Line						
<b><u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u></b>								
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 9,638,829	\$ 3,312,881	\$ 12,951,710	
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$	\$	\$	
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 188,135	\$ 117,639	\$ 305,774	
	1	3	B	Deductibles and Coinsurance—Contract	\$	\$	\$	
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	4,258	1,495	5,753	
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract				
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	381	266	647	
	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				
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	1,201	35	1,236	
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Contract				
6	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract	221	193	414	
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Contract				
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ Noncontract				
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ 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
EL CENTRO REGIONAL MEDICAL CENTER				JULY 1, 2007 THROUGH JUNE 30, 2008		ZZT30045F, 1861409823		13
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				
7	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,530	260	1,790	
	1	3	E	Total Medi-Cal Discharges—Acute—Contract				
8	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 32,207,461	\$ 12,893,412	\$ 45,100,873	
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$	\$	\$	
	2	4	A 1	Depreciation Expense	\$	\$	\$	
	2	4	A 2	Rent and Lease Expense	\$	\$	\$	
	2	4	A 3	Interest Expense	\$	\$	\$	
	2	4	A 4	Property Taxes and License Fees	\$	\$	\$	
	2	4	A 5	Utility Expense	\$	\$	\$	
	2	4	A 6	Malpractice Insurance Expense	\$	\$	\$	
9	2	4	B	Gross Operating Expenses	\$ 82,185,512	\$ (3,643,888)	\$ 78,541,624	
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$	\$	\$	
	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$	\$	\$	
	2	4	D	Pharmacy Nonlabor Expense	\$	\$	\$	

Provider Name				Fiscal Period		PROVIDER NO., NPI		Adjustments
EL CENTRO REGIONAL MEDICAL CENTER				JULY 1, 2007 THROUGH JUNE 30, 2008		ZZT30045F, 1861409823		13
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted	
Adj. No.	Audit Report Page	RD Schedule Page Line						
10	2	4	E	Food Services Nonlabor Expense	\$ 304,467	\$ 239,334	\$ 543,801	
11	2	4	F 1	Direct Operating—Salaries and Wages	\$ 32,589,737	\$ 441	\$ 32,590,178	
	2	4	F 2	Direct Operating—Employee Benefits	\$	\$	\$	
	2	4	F 3	Direct Operating—Other Professional Fees	\$	\$	\$	
	2	4	F 4	Direct Operating—Purchased Services	\$	\$	\$	
12	2	4	F 5	Direct Operating—Supplies	\$ 9,864,638	\$ (256,735)	\$ 9,607,903	
13	2	4	F 6	Direct Operating—Other Direct Operating Expense	\$ 0	\$ 2,383,352	\$ 2,383,352	
	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	
EL CENTRO REGIONAL MEDICAL CENTER				JULY 1, 2007 THROUGH JUNE 30, 2008	ZZT30045F, 1861409823	13	
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				
3	5	A 11	Nonproductive Salaries and Wages	\$	\$	\$	
3	5	A 11	Nonproductive Hours				
3	5	B 1	Subtotal Productive Salaries	\$	\$	\$	
3	5	B 2	Subtotal Productive Hours				
3	5	C	Total Productive and Nonproductive Salaries	\$	\$	\$	
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							