

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

**JOHN MUIR MEDICAL CENTER – WALNUT CREEK
WALNUT CREEK CALIFORNIA
PROVIDER NUMBER: ZZR00180F
NPI NUMBER: 1740215219**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Section Chief: Louise Wong
Audit Supervisor: Diana Dong
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TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

November 28, 2012

George Fan
Reimbursement Manager
John Muir/Mt. Diablo Health System
1400 Treat Boulevard
Walnut Creek, CA 94597-2142

In the Matter of:

JOHN MUIR MEDICAL CENTER – WALNUT CREEK
PROVIDER NO. ZZR00180F
NPI NO. 1740215219
FISCAL PERIOD ENDED DECEMBER 31, 2008
CASE NO. RD12-1208-528B-AH

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated May 4, 2012, from the informal hearing, the following revisions are made to the Medi-Cal audit report dated September 2, 2011.

SUMMARY OF REVISIONS

<u>MEDI-CAL NET COST OF COVERED SERVICES</u>	
Audited Net Cost of Covered Services	\$ 20,834,492
Revision	<u>860,007</u>
Revised Net Cost of Covered Services	\$ <u>21,694,499</u>
 <u>TOTAL MEDI-CAL INPATIENT CHARGES</u>	
Audited Total Medi-Cal Inpatient Charges	\$ 108,513,332
Revision	<u>(723,615)</u>
Revised Total Medi-Cal Inpatient Charges	\$ <u>107,789,717</u>

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

George Fan
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If you have any questions in regarding this report, you may call the Audits Section-
Richmond at (510) 620-3100.

Original Signed by

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Certified

cc: Evie Correa, Chief
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RATE DEVELOPMENT WORKSHEETS

PROVIDER: JOHN MUIR MEDICAL CENTER - WALNUT CREEK
PROVIDER NO. ZZR00180F
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD: N/A

	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)	\$ 21,694,499	\$	0	\$	\$ 21,694,499
B. Deductibles and Coinsurance (Third Party Liability)	\$ 224,115	\$	0	\$	\$ 224,115
C. Medi-Cal Inpatient Days					
1. Routine (Adults & Pediatrics)	3,687		0		3,687
2. ICU	1,234		0		1,234
3. CCU			0		0
4. Nursery	113		0		113
5. NICU	581		0		581
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges	N/A		N/A		20,349
E. Total Medi-Cal Discharges	606		0		606
F. Total Medi-Cal Inpatient Charges (Rev 2)	\$ 107,789,717	\$	0	\$	\$ 107,789,717

RATE DEVELOPMENT WORKSHEETS

PROVIDER: JOHN MUIR MEDICAL CENTER - WALNUT CREEK
PROVIDER NO. ZZR00180F
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD: N/A

A. EXPENSE PASS-THROUGH DATA	<u>REFERENCE</u>		
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	27,614,728
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	0
3. Interest Expense:	8860, 8870	\$	12,545,663
4. Property Taxes and License Fees:	8850 and/or .83	\$	770,610
5. Utility Expense:	.77, .78, .79, and .80	\$	3,803,161
6. Malpractice Insurance Expense:	8830 and/or .81	\$	0
 B. GROSS OPERATING EXPENSES	 Sch 10, line 101, col. 3	 \$	 652,910,382
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	26,365,788
 D. PHARMACY NONLABOR EXPENSES	 8390.37 and 8390.38	 \$	 6,909
 E. FOOD SERVICES NONLABOR EXPENSES	 8320, 8330 and 8340 and/or .42 and .43	 \$	 2,010,701
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	194,046,071
2. Employee Benefits	.10 - .19, .92, .96	\$	108,389,442
3. Other Professional Fees	.21 - .29	\$	0
4. Purchased Services	.61 - .69	\$	148,893,405
5. Supplies	.31 - .36, .93, .97	\$	81,172,552
6. Other Direct Operating Expense	.85 - .90	\$	47,291,352

RATE DEVELOPMENT WORKSHEETS

PROVIDER: JOHN MUIR MEDICAL CENTER - WALNUT CREEK
PROVIDER NO. ZZR00180F
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD: N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	19,063,869
b. Productive Hours			304,729
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	56,289,057
b. Productive Hours			1,375,924
3. Registered Nurses			
a. Productive Salaries	.02	\$	84,174,179
b. Productive Hours			1,381,944
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	682,753
b. Productive Hours			19,934
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	7,720,203
b. Productive Hours			334,498
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	0
b. Productive Hours			0
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	639,973
b. Productive Hours			8,983
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	7,471,001
b. Productive Hours			326,958
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	13,428,121
b. Productive Hours			557,415
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	4,576,915
b. Productive Hours			159,363
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	34,791,649
b. Productive Hours	Report or Provider W/P		787,834
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		\$	<u>194,046,071</u>
2. Productive Hours (lines 1b - 10b)			<u>4,469,748</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		\$	<u>228,837,720</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			<u>5,257,582</u>

AUDIT REPORT REVISIONS

Provider: JOHN MUIR MEDICAL CENTER - WALNUT CREEK				Provider No. ZZR00180F	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	No. of Revs: 2	
Report Reference				Explanation of Audit Adjustments	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
REVISIONS TO RATE DEVELOPMENT WORKSHEET AUDIT REPORT							
1	DHS 3094	1	A	Medi-Cal Net Cost of Covered Services - Noncontract	\$ 20,834,492	\$ 860,007	\$ 21,694,499
	DHS 3094	1	A	Medi-Cal Net Cost of Covered Services - Contract	\$	\$	\$
	DHS 3094	1	B	Deductibles and Coinsurance - Noncontract	\$ 224,115	\$ 0	\$ 224,115
	DHS 3094	1	B	Deductibles and Coinsurance - Contract	\$	\$	\$
	DHS 3094	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract	3,687	0	3,687
	DHS 3094	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Contract			
	DHS 3094	1	C-2	Medi-Cal Inpatient Days - ICU - Noncontract	1,234	0	1,234
	DHS 3094	1	C-2	Medi-Cal Inpatient Days - ICU - Contract			
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - CCU - Noncontract			
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - CCU - Contract			
	DHS 3094	1	C-4	Medi-Cal Inpatient Days - Nursery - Noncontract	113	0	113
	DHS 3094	1	C-4	Medi-Cal Inpatient Days - Nursery - Contract			
	DHS 3094	1	C-5	Medi-Cal Inpatient Days - NICU - Noncontract	581	0	581
	DHS 3094	1	C-5	Medi-Cal Inpatient Days - NICU - Contract			
	DHS 3094	1	C-6a	Medi-Cal Inpatient Days - _____ Noncontract			
	DHS 3094	1	C-6a	Medi-Cal Inpatient Days - _____ Contract			

AUDIT REPORT REVISIONS

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Report Reference				Explanation of Audit Adjustments	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	DHS 3094	1	C-6b	Medi-Cal Inpatient Days - _____ Noncontract			
	DHS 3094	1	C-6b	Medi-Cal Inpatient Days - _____ Contract			
	DHS 3094	1	D	Total Hospital Discharges	20,349	0	20,349
	DHS 3094	1	E	Total Medi-Cal Discharges - Acute - Noncontract	606	0	606
	DHS 3094	1	E	Total Medi-Cal Discharges - Acute - Contract			
2	DHS 3094	1	F	Total Medi-Cal Inpatient Charges - Noncontract	\$ 108,513,332	\$ (723,615)	\$ 107,789,717
	DHS 3094	1	F	Total Medi-Cal Inpatient Charges - Contract	\$	\$	\$
	DHS 3094	2	A-1	Depreciation Expense	\$ 27,614,728	\$ 0	\$ 27,614,728
	DHS 3094	2	A-2	Rent and Lease Expense	\$ 0	\$ 0	\$ 0
	DHS 3094	2	A-3	Interest Expense	\$ 12,545,663	\$ 0	\$ 12,545,663
	DHS 3094	2	A-4	Property Taxes and License Fees	\$ 770,610	\$ 0	\$ 770,610
	DHS 3094	2	A-5	Utility Expenses	\$ 3,803,161	\$ 0	\$ 3,803,161
	DHS 3094	2	A-6	Malpractice Insurance Expense	\$ 0	\$ 0	\$ 0
	DHS 3094	2	B	Gross Operating Expenses	\$ 652,910,382	\$	\$ 652,910,382
	DHS 3094	2	C-1	Student and Physician Salaries	\$ 0	\$ 0	\$ 0

AUDIT REPORT REVISIONS

Provider: JOHN MUIR MEDICAL CENTER - WALNUT CREEK				Provider No. ZZR00180F	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	No. of Revs: 2	
Report Reference				Explanation of Audit Adjustments	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	DHS 3094	2	C-2	Professional Fees	\$ 26,365,788	\$ 0	\$ 26,365,788
	DHS 3094	2	D	Pharmacy Nonlabor Expense	\$ 6,909	\$ 0	\$ 6,909
	DHS 3094	2	E	Food Services Nonlabor Expense	\$ 2,010,701	\$ 0	\$ 2,010,701
	DHS 3094	2	F-1	Direct Operating - Salaries and Wages	\$ 194,046,071	\$	\$ 194,046,071
	DHS 3094	2	F-2	Direct Operating - Employee Benefits	\$ 108,389,442	\$	\$ 108,389,442
	DHS 3094	2	F-3	Direct Operating - Other Professional Fees	\$ 0	\$ 0	\$ 0
	DHS 3094	2	F-4	Direct Operating - Purchased Services	\$ 148,893,405	\$ 0	\$ 148,893,405
	DHS 3094	2	F-5	Direct Operating - Supplies	\$ 81,172,552	\$ 0	\$ 81,172,552
	DHS 3094	2	F-6	Other Direct Operating Expense	\$ 47,291,352	\$	\$ 47,291,352
	DHS 3094	3	A-1-a	Productive Salaries - Management and Supervision	\$ 19,063,869	\$ 0	\$ 19,063,869
	DHS 3094	3	A-1-b	Productive Hours	304,729	0	304,729
	DHS 3094	3	A-2-a	Productive Salaries - Technicians and Specialists	\$ 56,289,057	\$ 0	\$ 56,289,057
	DHS 3094	3	A-2-b	Productive Hours	1,375,924	0	1,375,924
	DHS 3094	3	A-3-a	Productive Salaries - Registered Nurses	\$ 84,174,179	\$ 0	\$ 84,174,179
	DHS 3094	3	A-3-b	Productive Hours	1,381,944	0	1,381,944

AUDIT REPORT REVISIONS

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Report Reference				Explanation of Audit Adjustments	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	DHS 3094	3	A-4-a	Productive Salaries - Licensed Vocational Nurses	\$ 682,753	\$ 0	\$ 682,753
	DHS 3094	3	A-4-b	Productive Hours	19,934	0	19,934
	DHS 3094	3	A-5-a	Productive Salaries - Aides and Orderlies	\$ 7,720,203	\$ 0	\$ 7,720,203
	DHS 3094	3	A-5-b	Productive Hours	334,498	0	334,498
	DHS 3094	3	A-6-a	Productive Salaries - Physicians (Salaried)	\$ 0	\$ 0	\$ 0
	DHS 3094	3	A-6-b	Productive Hours	0	0	0
	DHS 3094	3	A-7-a	Productive Salaries - Nonphysician Medical Practitioners	\$ 639,973	\$ 0	\$ 639,973
	DHS 3094	3	A-7-b	Productive Hours	8,983	0	8,983
	DHS 3094	3	A-8-a	Productive Salaries - Environmental and Food Services	\$ 7,471,001	\$ 0	\$ 7,471,001
	DHS 3094	3	A-8-b	Productive Hours	326,958	0	326,958
	DHS 3094	3	A-9-a	Productive Salaries - Clerical and Other Administrative	\$ 13,428,121	\$ 0	\$ 13,428,121
	DHS 3094	3	A-9-b	Productive Hours	557,415	0	557,415
	DHS 3094	3	A-10-a	Productive Salaries - Other	\$ 4,576,915	\$ 0	\$ 4,576,915
	DHS 3094	3	A-10-b	Productive Hours	159,363	0	159,363

AUDIT REPORT REVISIONS

Provider: JOHN MUIR MEDICAL CENTER - WALNUT CREEK				Provider No. ZZR00180F	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	No. of Revs: 2	
Report Reference				Explanation of Audit Adjustments	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	N/A	N/A	A-11-a	Nonproductive Salaries	\$ 34,791,649	\$ 0	\$ 34,791,649
	N/A	N/A	A-11-b	Nonproductive Hours	787,834	0	787,834
	N/A	N/A	B 1	Subtotal Productive Salaries	\$ 194,046,071	\$ 0	\$ 194,046,071
	N/A	N/A	B 2	Subtotal Productive Hours	4,469,748	0	4,469,748
	N/A	N/A	C	Total Productive and Nonproductive Salaries	\$ 228,837,720	\$ 0	\$ 228,837,720
	N/A	N/A	D	Total Productive and Nonproductive Hours	5,257,582	0	5,257,582

To adjust the Rate Development Worksheets to agree with audit adjustments and/or Provider records.
Title 22, CCR, Section 51536