

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

**MISSION HOSPITAL REGIONAL MEDICAL CENTER
MISSION VIEJO, CALIFORNIA
PROVIDER NUMBER: ZZT30567I
NATIONAL PROVIDER IDENTIFIER: 1992752315**

**FISCAL PERIOD ENDED
JUNE 30, 2008**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Margaret A. Varho
Auditor: Paula Greene**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: November 28, 2011

Aaron Neuharth, Controller
Mission Hospital Regional Medical Center
27700 Medical Center Road
Mission Viejo, CA 92691

PROVIDER: MISSION HOSPITAL REGIONAL MEDICAL CENTER
PROVIDER NO. ZZT30567I
NATIONAL PROVIDER IDENTIFIER: 1992752315
FISCAL PERIOD ENDED JUNE 30, 2008

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 field audit.

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.

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

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: MISSION HOSPITAL REGIONAL MEDICAL CENTER
PROVIDER NO. ZZT30567I
FISCAL PERIOD: JULY 1, 2007 THROUGH JUNE 30, 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 (Adj. 1)	\$ 10,187,499				\$ 10,187,499
B. Deductibles and Coinsurance (Third Party Liability) (Adj. 2)	\$ 41,767				\$ 41,767
C. Medi-Cal Inpatient Days (Adj. 3,4,5)					
1. Routine (Adults & Pediatrics)		3,668			3,668
2. ICU		268			268
3. CCU					
4. Nursery		1,988			1,988
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges ** (Adj. 6)		N/A		N/A	18,211
E. Total Medi-Cal Discharges** (Adj. 7)		1,299			1,299
F. Total Medi-Cal Inpatient Charges (Adj. 8)	\$ 29,483,068				\$ 29,483,068

(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: MISSION HOSPITAL REGIONAL MEDICAL CENTER
PROVIDER NO. ZZT305671
FISCAL PERIOD: JULY 1, 2007 THROUGH JUNE 30, 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	\$	13,363,859
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	8,235,624
3. Interest Expense:	8860, 8870	\$	7,958,621
4. Property Taxes and License Fees:	8850 and/or .83	\$	532,176
5. Utility Expense:	.77, .78, .79, and .80	\$	2,445,354
6. Malpractice Insurance Expense:	8830 and/or .81	\$	2,482,154
 B. GROSS OPERATING EXPENSES	 W/S A, line 101, col. 3	 \$	 310,533,215
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	1,804,749
 D. PHARMACY NONLABOR EXPENSES	 8390.37 and 8390.38	 \$	 7,378,551
 E. FOOD SERVICES NONLABOR EXPENSES	 8320, 8330 and 8340 and/or .42 and .43	 \$	 2,380,389
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	109,491,790
2. Employee Benefits	.10 - .19, .92, .96	\$	48,363,531
3. Other Professional Fees	.21 - .29	\$	11,833,593
4. Purchased Services	.61 - .69	\$	42,812,774
5. Supplies	.31 - .36, .93, .97	\$	46,178,807
6. Other Direct Operating Expense	.85 - .90	\$	5,977,131

RATE DEVELOPMENT WORKSHEETS

PROVIDER: MISSION HOSPITAL REGIONAL MEDICAL CENTER
PROVIDER NO. ZTZ30567I
FISCAL PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008
CONTRACT PERIOD: N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	19,569,777
b. Productive Hours			375,338.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	22,630,025
b. Productive Hours			617,301.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	43,586,857
b. Productive Hours			954,801.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	278,110
b. Productive Hours			11,219.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	8,798,817
b. Productive Hours			471,724.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	
b. Productive Hours			
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	4,632,951
b. Productive Hours			297,923.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	9,595,775
b. Productive Hours			497,110.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	10,407,595
b. Nonproductive Hours	Report or Provider W/P		351,134.00
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		\$	<u>109,092,312</u>
2. Productive Hours (lines 1b - 10b)			<u>3,225,416.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		\$	<u>119,499,907</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			<u>3,576,550.00</u>

AUDIT ADJUSTMENTS

Provider: MISSION HOSPITAL REGIONAL MEDICAL CENTER		Provider No. ZZT305671	Fiscal Period: JULY 1, 2007 THROUGH JUNE 30, 2008		No. of Adjs: 10	
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)	Audited
Adj. No.	Form	Page	Line	Reported		
	<u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u>					
1	A&I-2	1	A	\$ 8,560,714	\$ 1,626,785	\$ 10,187,499
2	A&I-2	1	B	\$ 30,607	\$ 11,160	\$ 41,767
3	A&I-2	1	C-1	3,470	198	3,668
4	A&I-2	1	C-2	304	(36)	268
5	A&I-2	1	C-4	1,978	10	1,988
6	A&I-2	1	E	17,869	342	18,211
7	A&I-2	1	F	1,272	27	1,299
8	A&I-2	1	G	\$ 20,938,995	\$ 8,544,073	\$ 29,483,068
9	A&I-2	2	F-5	\$ 46,150,969	\$ 27,838	\$ 46,178,807
10	A&I-2	2	F-6	\$	\$ 5,977,131	\$ 5,977,131

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

