

**APPEAL RECOMPUTATION
ON THE AUDIT OF
RATE DEVELOPMENT BRANCH SCHEDULES
KAISER FOUNDATION HOSPITALS –
PANORAMA CITY
PANORAMA CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1376698043
FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Avina
Auditor: Kit Chao**



TOBY DOUGLAS
Director

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



EDMUND G. BROWN JR.
Governor

January 27, 2012

CERTIFIED MAIL NO. 7007 1490 0003 8750 2331

Alfred Aghajani
Finance Supervisor
National Medicare Finance
Kaiser Permanente
393 East Walnut Street, Fourth Floor
Pasadena, CA 91188

In the Matter of:

**KAISER FOUNDATION HOSPITAL – PANORAMA CITY
NATIONAL PROVIDER IDENTIFIER (NPI) 1376698043
FISCAL PERIOD ENDED DECEMBER 31, 2008
CASE NUMBER RD11-1208-688C-JC**

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated December 28, 2011, the following revisions are made to the Medi-Cal Rate Development Worksheets dated January 11, 2011.

If you have any questions regarding this revised report, you may call the Audits Section-Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Enclosure

cc: Evie Correa, Chief
Audit Review and Analysis Section
California Department of Health Care Services
M.S. 2109
P.O. Box 997413
Sacramento, CA 95899-7413

Alfred Aghajani
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cc: Chief
Financing and Non-Contracting
Hospital Recoupment Branch
Safety Net Financing Division
California Department of Health Care Services
M.S. 4518
P.O. Box 997436
Sacramento, CA 95899-7436

RATE DEVELOPMENT WORKSHEETS

PROVIDER: KAISER FOUNDATION HOSPITALS - PANORAMA CITY
PROVIDER NO. ZZT 30137F
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)	\$ 988,880		\$ N/A		\$ 988,880
B. Deductibles and Coinsurance (Third Party Liability)	\$ 5,673		\$ N/A		\$ 5,673
C. Medi-Cal Inpatient Days					
1. Routine (Adults & Pediatrics)	370		N/A		370
2. ICU					
3. CCU	25		N/A		25
4. Nursery	28		N/A		28
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges		N/A		N/A	13,162
E. Total Medi-Cal Discharges		129		N/A	129
F. Total Medi-Cal Inpatient Charges	\$ 1,930,780		\$ N/A		\$ 1,930,780

RATE DEVELOPMENT WORKSHEETS

PROVIDER: KAISER FOUNDATION HOSPITALS - PANORAMA CITY
PROVIDER NO. ZZT 30137F
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	\$	18,912,498
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	6,513,825
3. Interest Expense:	8860, 8870	\$	959,879
4. Property Taxes and License Fees:	8850 and/or .83	\$	878,002
5. Utility Expense:	.77, .78, .79, and .80	\$	3,947,955
6. Malpractice Insurance Expense:	8830 and/or .81	\$	938,229
 B. GROSS OPERATING EXPENSES	 C/R W/S A, line 101, col. 3	 \$	 292,940,933
 C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	63,112
2. Professional Fees	.20	\$	
 D. PHARMACY NONLABOR EXPENSES	 8390.37 and 8390.38	 \$	 3,151,254
 E. FOOD SERVICES NONLABOR EXPENSES	 8320, 8330 and 8340 and/or .42 and .43	 \$	 841,785
 F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	87,016,847
2. Employee Benefits	.10 - .19, .92, .96	\$	38,758,975
3. Other Professional Fees	.21 - .29	\$	626
4. Purchased Services	.61 - .69	\$	103,637,694
5. Supplies	.31 - .36, .93, .97	\$	23,410,313

RATE DEVELOPMENT WORKSHEETS

PROVIDER: KAISER FOUNDATION HOSPITALS - PANORAMA CITY
PROVIDER NO.: ZZT 30137F
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	\$	8,049,569
b. Productive Hours			168,517
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	10,814,589
b. Productive Hours			244,859
3. Registered Nurses			
a. Productive Salaries	.02	\$	29,743,840
b. Productive Hours			613,285
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	852,284
b. Productive Hours			29,606
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	2,225,017
b. Productive Hours			116,394
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	63,112
b. Productive Hours			2,848
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	48,249
b. Productive Hours			833
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	6,651,064
b. Productive Hours			363,243
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	8,307,738
b. Productive Hours			374,257
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	2,152,007
b. Productive Hours			116,015
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	18,172,488
b. Productive Hours	Report or Provider W/P		416,871
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		\$	<u>68,907,469</u>
2. Productive Hours (lines 1b - 10b)			<u>2,029,857</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		\$	<u>87,079,957</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			<u>2,446,728</u>

AUDIT REVISIONS

Provider: KAISER FOUNDATION HOSPITALS - PANORAMA CITY		Provider No. ZZT 30137F	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		No. of Rev: 1			
Report Reference		Form	Page	Line	Explanation of Audit Revisions	Audited	Increase (Decrease)	Revised
Rev. No.								
1	DHS 3094	3	A		<p><u>REVISIONS TO RATE DEVELOPMENT WORKSHEETS</u></p> <p>Medi-Cal Net Cost of Covered Services - Noncontract</p> <p>Appeal Finding - Issue Number 3</p>	\$ 1,016,098	\$ (27,218)	\$ 988,880

