

**APPEAL RECOMPUTATION
ON THE
RATE DEVELOPMENT BRANCH SCHEDULES
KAISER FOUNDATION HOSPITALS – HARBOR CITY
HARBOR CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1336294040
FISCAL PERIOD ENDED
DECEMBER 31, 2008**

**Audits Section - Gardena
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Maria Delgado
Audit Supervisor: Cyrus C. Lam
Auditor: Nancy Nguyen**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 8, 2013

Jonathan Cullen
Interim Director
Kaiser Foundation Hospitals
National Medicare Finance, 4th Floor
393 East Walnut Street
Pasadena, CA 91188

In the Matter of:

KAISER FOUNDATION HOSPITALS – HARBOR CITY
NATIONAL PROVIDER IDENTIFIER (NPI): 1336294040
FISCAL PERIOD ENDED: DECEMBER 31, 2008
CASE NUMBER: RD12-1208-916D-JC

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated November 29, 2012, the following revisions are made to the Medi-Cal Rate Development Worksheets report dated February 7, 2012.

If you have questions regarding this revised report, you may call the Audit Section-Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

cc: Judith H. Morrow
Senior Reimbursement Analyst
Kaiser Foundation Hospitals
National Medicare Finance, 4th Floor
393 East Walnut Street
Pasadena, CA 91188

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME KAISER FOUNDATION HOSPITALS-HARBOR CITY
NPI 1336294040
FISCAL PERIOD JANUARY 1, 2008 THROUGH DECEMBER 31, 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) (Rev 1)	\$ 1,372,011				\$ 1,372,011
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Rev)	\$ 3,783				\$ 3,783
C. Medi-Cal Inpatient Days (Rev) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)		314			314
2. ICU					
3. CCU		150			150
4. Nursery		32			32
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges ** (Rev)		N/A		N/A	12,494
E. Total Medi-Cal Discharges** (Rev)		95			95
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Rev 2)	\$ 1,776,033				\$ 1,776,033

* Data for NF or Administrative Days are not included.

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

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	KAISER FOUNDATION HOSPITALS-HARBOR CITY
NPI	1336294040
FISCAL PERIOD	JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Rev)	8810 - 8813, and/or .71, .72, .73 and .74	\$	15,972,042
2. Rent and Lease Expense: (Rev)	8820-8822, and/or .75 and .76	\$	4,939,571
3. Interest Expense: (Rev)	8860, 8870	\$	971,898
4. Property Taxes and License Fees: (Rev)	8850 and/or .83	\$	204,400
5. Utility Expense: (Rev)	.77, .78, .79, and .80	\$	2,765,687
6. Malpractice Insurance Expense: (Rev)	8830 and/or .81	\$	954,140
B. GROSS OPERATING EXPENSES (Rev)	Sch 10, line 101, col. 3	\$	273,861,975
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Rev)	.07, 8210.09 - 8290.09	\$	338,437
2. Professional Fees (Rev)	.20	\$	
D. PHARMACY NONLABOR EXPENSE (Rev)	8390.37 and 8390.38	\$	4,991,734
E. FOOD SERVICES NONLABOR EXPENSE (Rev)	8320, 8330 and 8340 and/or .42 and .43	\$	873,392
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	83,053,136
2. Employee Benefits	.10 - .19, .92, .96	\$	36,869,795
3. Other Professional Fees	.21 - .29	\$	104,761
4. Purchased Services	.61 - .69	\$	112,092,426
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	29,217,453

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	KAISER FOUNDATION HOSPITALS-HARBOR CITY
NPI	1336294040
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 (Rev)			
a. Productive Salaries	.00	\$	7,304,248
b. Productive Hours			156,086.00
2. Technicians and Specialists (Rev)			
a. Productive Salaries	.01	\$	8,690,602
b. Productive Hours			197,929.00
3. Registered Nurses (Rev)			
a. Productive Salaries	.02	\$	31,479,418
b. Productive Hours			673,926.00
4. Licensed Vocational Nurses (Rev)			
a. Productive Salaries	.03	\$	682,255
b. Productive Hours			23,448.00
5. Aides and Orderlies (Rev)			
a. Productive Salaries	.04	\$	2,901,437
b. Productive Hours			155,160.00
6. Physicians (Salaried) (Rev)			
a. Productive Salaries	.07	\$	338,437
b. Productive Hours			13,450.00
7. Nonphysician Medical Practitioners (Rev)			
a. Productive Salaries	.08	\$	39,443
b. Productive Hours			662.00
8. Environmental and Food Services (Rev)			
a. Productive Salaries	.06	\$	5,229,214
b. Productive Hours			286,743.00
9. Clerical and Other Administrative (Rev)			
a. Productive Salaries	.05	\$	8,906,835
b. Productive Hours			398,896.00
10. Other Salaries and Wages (Rev)			
a. Productive Salaries	.09	\$	2,103,768
b. Productive Hours			112,391.00
11. All Nonproductive Salaries and Wages (Rev)			
a. Nonproductive Salaries	Labor Distribution	\$	15,715,916
b. Nonproductive Hours	Report or Provider W/P		369,280.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	67,675,657
2. Productive Hours (lines A1b - A10b)			<u>2,018,691.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>83,391,573</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>2,387,971.00</u>

Provider Name		Fiscal Period		NPI	Revisions	
KAISER FOUNDATION HOSPITALS-HARBOR CITY		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		1336294040	2	
Report References		Explanation of Audit Revisions		Audited	Increase (Decrease)	Revised
Rev. No.	Revised Report Page	RD Schedule Page	Line			
REVISIONS TO RATE DEVELOPMENT SCHEDULES						
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 1,445,988	\$ (73,977) \$ 1,372,011
2	2	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 936,637	\$ 839,396 \$ 1,776,033
<p>APPEAL FINDING - ISSUE NUMBER 6 Case# RD12-1208-916D-JC</p>						