

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

**ST. HELENA - CLEARLAKE  
CLEARLAKE, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1124018031**

**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: Matthew Moy  
Auditors: Larry Vu and Long Nguyen**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

September 14, 2012

Duane Barnes  
Director of Finance  
St. Helena Hospital - Clearlake  
15630 18th Avenue  
Clearlake, CA 95422

ST. HELENA HOSPITAL - CLEARLAKE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1124018031  
FISCAL PERIOD ENDED DECEMBER 31, 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).

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

Duane Barnes  
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John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section—Richmond  
Financial Audits Branch

Certified

**RATE DEVELOPMENT SCHEDULES**

**PROVIDER NAME** ST. HELENA HOSPITAL - CLEARLAKE  
**NPI** 1124018031  
**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) (Adj 1)	\$ 5,117,777		\$ 0		\$ 5,117,777
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	\$ 24,524		\$ 0		\$ 24,524
C. Medi-Cal Inpatient Days (Adjs 3-5) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)	1,331		0		1,331
2. ICU	232		0		232
3. CCU					
4. Nursery	295		0		295
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges	N/A		N/A		1,571
E. Total Medi-Cal Discharges (Adj 6)	518		0		518
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adj 7)	\$ 14,391,798		\$ 0		\$ 14,391,798

**RATE DEVELOPMENT SCHEDULES**

<b>PROVIDER NAME</b>	<b>ST. HELENA HOSPITAL - CLEARLAKE</b>
<b>NPI</b>	<b>1124018031</b>
<b>FISCAL PERIOD</b>	<b>JANUARY 1, 2008 THROUGH DECEMBER 31, 2008</b>
<b>CONTRACT PERIOD</b>	<b>N/A</b>

	<u>REFERENCE</u>		
<b>A. EXPENSE PASS-THROUGH DATA</b>			
1. Depreciation Expense: (Adj 8)	8810 - 8813, and/or .71, .72, .73 and .74	\$	1,981,082
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	786,044
3. Interest Expense: (Adj 9)	8860, 8870	\$	1,423,674
4. Property Taxes and License Fees:	8850 and/or .83	\$	79,503
5. Utility Expense: (Adj 10)	.77, .78, .79, and .80	\$	570,582
6. Malpractice Insurance Expense: (Adj 11)	8830 and/or .81	\$	352,798
<b>B. GROSS OPERATING EXPENSES</b>	Sch 10, line 101, col. 3	\$	50,991,424
<b>C. STUDENT AND PHYSICIANS COMPENSATION</b>			
1. Salaries and Wages (include benefi	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees (Adj 12)	.20	\$	6,540,410
<b>D. PHARMACY NONLABOR EXPENSE</b> (Adj 13)	8390.37 and 8390.38	\$	1,071,646
<b>E. FOOD SERVICES NONLABOR EXPENSE</b> (Adj 14)	8320, 8330 and 8340 and/or .42 and .43	\$	204,569
<b>F. DIRECT OPERATING COSTS</b>			
1. Salaries and Wages (Adj 15)	.00 - .09, .91, .95	\$	18,879,404
2. Employee Benefits (Adj 16)	.10 - .19, .92, .96	\$	6,592,513
3. Other Professional Fees (Adj 17)	.21 - .29	\$	1,791,430
4. Purchased Services (Adj 18)	.61 - .69	\$	6,771,857
5. Supplies (Adj 19)	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$	2,237,861
6. Other Direct Operating Expense (Adj 20)	.85 - .90	\$	600,651

**RATE DEVELOPMENT SCHEDULES**

<b>PROVIDER NAME</b>	<b>ST. HELENA HOSPITAL - CLEARLAKE</b>
<b>NPI</b>	<b>1124018031</b>
<b>FISCAL PERIOD</b>	<b>JANUARY 1, 2008 THROUGH DECEMBER 31, 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 (Adj 21)	.00	\$	2,193,590
b. Productive Hours (Adj 22)			48,075.00
2. Technicians and Specialists			
a. Productive Salaries (Adj 23)	.01	\$	3,904,931
b. Productive Hours (Adj 24)			100,120.00
3. Registered Nurses			
a. Productive Salaries (Adj 25)	.02	\$	5,359,641
b. Productive Hours (Adj 26)			103,017.00
4. Licensed Vocational Nurses			
a. Productive Salaries (Adj 27)	.03	\$	385,439
b. Productive Hours (Adj 28)			16,154.00
5. Aides and Orderlies			
a. Productive Salaries (Adj 29)	.04	\$	762,686
b. Productive Hours (Adj 30)			49,124.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries (Adj 31)	.08	\$	495,683
b. Productive Hours (Adj 32)			28,736.00
8. Environmental and Food Services			
a. Productive Salaries (Adj 33)	.06	\$	702,800
b. Productive Hours (Adj 34)			41,633.00
9. Clerical and Other Administrative			
a. Productive Salaries (Adj 35)	.05	\$	2,612,305
b. Productive Hours (Adj 36)			156,163.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries (Adj 37)	Labor Distribution	\$	2,462,329
b. Nonproductive Hours (Adj 38)	Report or Provider W/P		84,558.00
<b>B. SUBTOTAL DIRECT PAYROLL COST</b>			
1. Productive Salaries (lines A1a - A10a) (Adj 39)		\$	<u>16,417,075</u>
2. Productive Hours (lines A1b - A10b) (Adj 40)			<u>543,022.00</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1) (Adj 41)</b>		<b>\$</b>	<b><u>18,879,404</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2) (Adj 42)</b>			<b><u>627,580.00</u></b>

Provider Name				Fiscal Period	NPI	Adjustments	
ST. HELENA HOSPITAL - CLEARLAKE				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	1124018031	42	
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	\$ 5,484,910	\$ (367,133)	\$ 5,117,777
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$	\$	\$
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 3,557	\$ 20,967	\$ 24,524
	1	3	B	Deductibles and Coinsurance—Contract	\$	\$	\$
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	1,278	53	1,331
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract			
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	248	(16)	232
	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	293	2	295
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Contract			
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract			
	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		NPI	Adjustments
ST. HELENA HOSPITAL - CLEARLAKE				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		1124018031	42
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	1,571	0	1,571
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	510	8	518
	1	3	E	Total Medi-Cal Discharges—Acute—Contract			
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 14,199,180	\$ 192,318	\$ 14,391,498
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$	\$	\$
8	2	4	A 1	Depreciation Expense	\$ 1,974,437	\$ 6,645	\$ 1,981,082
	2	4	A 2	Rent and Lease Expense	\$ 786,044	\$ 0	\$ 786,044
9	2	4	A 3	Interest Expense	\$ 1,428,668	\$ (4,994)	\$ 1,423,674
	2	4	A 4	Property Taxes and License Fees	\$ 79,503	\$ 0	\$ 79,503
10	2	4	A 5	Utility Expense	\$ 721,710	\$ (151,128)	\$ 570,582
11	2	4	A 6	Malpractice Insurance Expense	\$ 70,017	\$ 282,781	\$ 352,798
	2	4	B	Gross Operating Expenses	\$ 50,991,424	\$ 0	\$ 50,991,424
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$	\$	\$
12	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 7,225,640	\$ (685,230)	\$ 6,540,410
13	2	4	D	Pharmacy Nonlabor Expense	\$ 1,268,400	\$ (196,754)	\$ 1,071,646

Provider Name				Fiscal Period		NPI	Adjustments
ST. HELENA HOSPITAL - CLEARLAKE				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		1124018031	42
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule					
		Page	Line				
14	2	4	E	Food Services Nonlabor Expense	\$ 291,779	\$ (87,210)	\$ 204,569
15	2	4	F 1	Direct Operating—Salaries and Wages	\$ 19,091,786	\$ (212,382)	\$ 18,879,404
16	2	4	F 2	Direct Operating—Employee Benefits	\$ 6,380,131	\$ 212,382	\$ 6,592,513
17	2	4	F 3	Direct Operating—Other Professional Fees	\$ 1,106,200	\$ 685,230	\$ 1,791,430
18	2	4	F 4	Direct Operating—Purchased Services	\$ 6,768,857	\$ 3,000	\$ 6,771,857
19	2	4	F 5	Direct Operating—Supplies	\$ 4,559,965	\$ (2,322,104)	\$ 2,237,861
20	2	4	F 6	Direct Operating—Other Direct Operating Expense	\$ 0	\$ 600,651	\$ 600,651
21	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 2,158,503	\$ 35,087	\$ 2,193,590
22	3	5	A 1 b	Management and Supervision—Productive Hours	47,306	769	48,075
23	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 3,928,407	\$ (23,476)	\$ 3,904,931
24	3	5	A 2 b	Technicians and Specialists—Productive Hours	100,722	(602)	100,120
25	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 5,206,572	\$ 153,069	\$ 5,359,641
26	3	5	A 3 b	Registered Nurses—Productive Hours	100,075	2,942	103,017
27	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 389,991	\$ (4,552)	\$ 385,439
28	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	16,345	(191)	16,154
29	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 752,929	\$ 9,757	\$ 762,686
30	3	5	A 5 b	Aides and Orderlies—Productive Hours	48,496	628	49,124

Provider Name				Fiscal Period	NPI	Adjustments	
ST. HELENA HOSPITAL - CLEARLAKE				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	1124018031	42	
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			
31	3	5	A 7 a	Nonphysician Medical Practitioners—Productive Salaries	\$ 404,421	\$ 91,262	\$ 495,683
32	3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours	23,445	5,291	28,736
33	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 710,211	\$ (7,411)	\$ 702,800
34	3	5	A 8 b	Environmental and Food Services—Productive Hours	42,072	(439)	41,633
35	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 2,627,171	\$ (14,866)	\$ 2,612,305
36	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	157,052	(889)	156,163
	3	5	A 10 a	Other Salaries and Wages—Productive Salaries	\$	\$	\$
	3	5	A 10 b	Other Salaries and Wages—Productive Hours			
37	3	5	A 11	Nonproductive Salaries and Wages	\$ 2,287,621	\$ 174,708	\$ 2,462,329
38	3	5	A 11	Nonproductive Hours	78,855	5,703	84,558
39	3	5	B 1	Subtotal Productive Salaries	\$ 16,178,205	\$ 238,870	\$ 16,417,075
40	3	5	B 2	Subtotal Productive Hours	535,513	7,509	543,022
41	3	5	C	Total Productive and Nonproductive Salaries	\$ 18,465,826	\$ 413,578	\$ 18,879,404
42	3	5	D	Total Productive and Nonproductive Hours	614,368	13,212	627,580
				To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536			