

**REPORT  
ON THE AUDIT OF  
RATE DEVELOPMENT SCHEDULES  
SAINT JOHN'S HOSPITAL AND HEALTH CENTER  
SANTA MONICA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1124026273  
FISCAL PERIOD  
JUNE 1, 2008 THROUGH DECEMBER 31, 2008**

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

**Section Chief: Daniel J. Giardinelli  
Audit Supervisor: Gertrude Lake  
Auditor: Tricia Sugioka**



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



EDMUND G. BROWN JR.  
GOVERNOR

February 22, 2012

Michelle Mok  
Chief Financial Officer  
Saint John's Hospital and Health Center  
2020 Santa Monica Boulevard  
Santa Monica, CA 90404

SAINT JOHN'S HOSPITAL AND HEALTH CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI) 1124026273  
FISCAL PERIOD JUNE 1, 2008 THROUGH 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 Benefits, Waiver Analysis and Rates 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:

Chief  
Department of Health Care Services  
Office of Administrative Hearings and Appeals  
1029 J Street, Suite 200  
Sacramento, CA 95814  
(916) 322-5603

Michelle Mok  
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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—Burbank at (818) 295-2620.

**Original Signed By**

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

Certified



## RATE DEVELOPMENT SCHEDULES

<b>PROVIDER NAME</b>	<b>SAINT JOHN'S HOSPITAL AND HEALTH CENTER</b>
<b>NPI</b>	<b>1124026273</b>
<b>FISCAL PERIOD</b>	<b>JUNE 1, 2008 THROUGH DECEMBER 31, 2008</b>
<b>CONTRACT PERIOD</b>	<b>NOT APPLICABLE</b>

	<u>REFERENCE</u>		
<b>A. EXPENSE PASS-THROUGH DATA</b>			
1. Depreciation Expense: (Adj )	8810 - 8813, and/or .71, .72, .73 and .74	\$	8,090,409
2. Rent and Lease Expense: (Adj )	8820-8822, and/or .75 and .76	\$	1,713,749
3. Interest Expense: (Adj )	8860, 8870	\$	0
4. Property Taxes and License Fees: (Adj )	8850 and/or .83	\$	45,536
5. Utility Expense: (Adj )	.77, .78, .79, and .80	\$	2,271,497
6. Malpractice Insurance Expense: (Adj )	8830 and/or .81	\$	1,600,053
<b>B. GROSS OPERATING EXPENSES</b> (Adj )	C/R WS A, line 101, col. 3	\$	159,661,193
<b>C. STUDENT AND PHYSICIANS COMPENSATION</b>			
1. Salaries and Wages (include benefits) (Adj )	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees (Adj )	.20	\$	1,550,146
<b>D. PHARMACY NONLABOR EXPENSE</b> (Adj )	8390.37 and 8390.38	\$	5,486,174
<b>E. FOOD SERVICES NONLABOR EXPENSE</b> (Adj )	8320, 8330 and 8340 and/or .42 and .43	\$	916,537
<b>F. DIRECT OPERATING COSTS</b>			
1. Salaries and Wages	.00 - .09, .91, .95	\$	56,130,040
2. Employee Benefits (Adj. 9)	.10 - .19, .92, .96	\$	13,835,129
3. Other Professional Fees	.21 - .29	\$	3,807,674
4. Purchased Services	.61 - .69	\$	24,291,104
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	31,787,994
6. Other Direct Operating Expense	.85 - .90	\$	0

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<b>FISCAL PERIOD</b>	<b>JUNE 1, 2008 THROUGH DECEMBER 31, 2008</b>
<b>CONTRACT PERIOD</b>	<b>NOT APPLICABLE</b>

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj )			
a. Productive Salaries	.00	\$	6,017,345
b. Productive Hours			112,329.00
2. Technicians and Specialists (Adj )			
a. Productive Salaries	.01	\$	10,314,903
b. Productive Hours			277,640.00
3. Registered Nurses (Adj )			
a. Productive Salaries	.02	\$	21,997,017
b. Productive Hours			471,373.00
4. Licensed Vocational Nurses (Adj )			
a. Productive Salaries	.03	\$	134,032
b. Productive Hours			5,711.00
5. Aides and Orderlies (Adj )			
a. Productive Salaries	.04	\$	1,353,831
b. Productive Hours			77,362.00
6. Physicians (Salaried) (Adj )			
a. Productive Salaries	.07	\$	0
b. Productive Hours			0.00
7. Nonphysician Medical Practitioners (Adj )			
a. Productive Salaries	.08	\$	0
b. Productive Hours			0.00
8. Environmental and Food Services (Adj )			
a. Productive Salaries	.06	\$	0
b. Productive Hours			0.00
9. Clerical and Other Administrative (Adj )			
a. Productive Salaries	.05	\$	9,552,605
b. Productive Hours			463,511.00
10. Other Salaries and Wages (Adj )			
a. Productive Salaries	.09	\$	0
b. Productive Hours			0.00
11. All Nonproductive Salaries and Wages (Adj )			
a. Nonproductive Salaries	Labor Distribution	\$	6,168,795
b. Nonproductive Hours	Report or Provider W/P		187,925.00
<b>B. SUBTOTAL DIRECT PAYROLL COST</b>			
1. Productive Salaries (lines A1a - A10a)		\$	<u>49,369,733</u>
2. Productive Hours (lines A1b - A10b)			<u>1,407,926.00</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)</b>		\$	<u><u>55,538,528</u></u>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)</b>			<u><u>1,595,851.00</u></u>



Provider Name				Fiscal Period		NPI	Adjustments
SAINT JOHN'S HOSPITAL AND HEALTH CENTER				JUNE 1, 2008 THROUGH DECEMBER 31, 2008		1124026273	9
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	\$ 1,076,522	\$ (416,002)	\$ 660,520
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 0	\$ 13,197	\$ 13,197
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	414	(226)	188
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	85	(16)	69
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	4	(2)	2
6	1	3	C5	Medi-Cal Inpatient Days—NICU—Noncontract	10	(10)	0
7	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	65	(5)	60
8	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 4,247,844	\$ (1,644,388)	\$ 2,603,456
9	2	4	F 2	Direct Operating—Employee Benefits	\$ 13,787,994	\$ 47,135	\$ 13,835,129
<p>To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536</p>							