

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

**SAN JOAQUIN COMMUNITY HOSPITAL
BAKERSFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1538157508**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Section Chief: Michael Harrold
Auditor: Sandy Feng**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

October 11, 2013

Brent Soper, CFO
San Joaquin Community Hospital
2615 Eye Street
Bakersfield, CA 93303

SAN JOAQUIN COMMUNITY HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1538157508
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 limited review.

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.

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

Brent Soper
Page 2

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—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	SAN JOAQUIN COMMUNITY HOSPITAL
NPI	1538157508
FISCAL PERIOD	JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>	
A. EXPENSE PASS-THROUGH DATA		
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$ 6,913,316
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$ 1,395,835
3. Interest Expense:	8860, 8870	\$ 3,012,913
4. Property Taxes and License Fees:	8850 and/or .83	\$ 622,664
5. Utility Expense: (Adj 8)	.77, .78, .79, and .80	\$ 2,830,520
6. Malpractice Insurance Expense:	8830 and/or .81	\$ 329,250
B. GROSS OPERATING EXPENSES (Adj 9)	Sch 10, line 101, col. 3	\$ 146,806,226
C. STUDENT AND PHYSICIANS COMPENSATION		
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$
2. Professional Fees (Adj 10)	.20	\$ 3,304,223
D. PHARMACY NONLABOR EXPENSE (Adj 11)	8390.37 and 8390.38	\$ 6,033,546
E. FOOD SERVICES NONLABOR EXPENSE (Adj 12)	8320, 8330 and 8340 and/or .42 and .43	\$ 974,513
F. DIRECT OPERATING COSTS (Adj 13-15)		
1. Salaries and Wages	.00 - .09, .91, .95	\$ 60,578,273
2. Employee Benefits	.10 - .19, .92, .96	\$ 16,370,435
3. Other Professional Fees	.21 - .29	\$ 8,634,786
4. Purchased Services	.61 - .69	\$ 18,601,460
5. Supplies	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$ 23,598,433

Provider Name				Fiscal Period	NPI	Adjustments	
SAN JOAQUIN COMMUNITY HOSPITAL				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	1538157508	27	
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 20,646,978	\$ 897,457	\$ 21,544,435
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 0	\$ 450,076	\$ 450,076
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	10,407	(900)	9,507
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	1,912	(191)	1,721
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	1,637	(21)	1,616
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	2,540	(242)	2,298
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 99,914,644	\$ 15,340,952	\$ 115,255,596
8	2	4	A 5	Utility Expense	\$ 3,006,733	\$ (176,213)	\$ 2,830,520
9	2	4	B	Gross Operating Expenses	\$ 155,573,509	\$ (8,767,283)	\$ 146,806,226
10	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 0	\$ 3,304,223	\$ 3,304,223
11	2	4	D	Pharmacy Nonlabor Expense	\$ 5,939,721	\$ 93,825	\$ 6,033,546
12	2	4	E	Food Services Nonlabor Expense	\$ 805,021	\$ 169,492	\$ 974,513
13	2	4	F 3	Direct Operating—Other Professional Fees	\$ 10,591,330	\$ (1,956,544)	\$ 8,634,786

Provider Name				Fiscal Period		NPI	Adjustments
SAN JOAQUIN COMMUNITY HOSPITAL				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		1538157508	27
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Adj. No.	Audit Report Page	RD Schedule Page Line					
14	2	4	F 4	Direct Operating—Purchased Services	\$ 18,567,145	\$ 34,315	\$ 18,601,460
15	2	4	F 5	Direct Operating—Supplies	\$ 24,055,783	\$ (457,350)	\$ 23,598,433
16	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 6,852,417	\$ 8,021	\$ 6,860,438
	3	5	A 1 b	Management and Supervision—Productive Hours	130,627	152	130,779
17	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 11,083,896	\$ (57,933)	\$ 11,025,963
	3	5	A 2 b	Technicians and Specialists—Productive Hours	386,308	506	386,814
18	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 24,504,453	\$ 28,683	\$ 24,533,136
	3	5	A 3 b	Registered Nurses—Productive Hours	554,188	649	554,837
19	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 619,247	\$ 725	\$ 619,972
	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	22,455	27	22,482
20	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 3,806,963	\$ 4,456	\$ 3,811,419
	3	5	A 5 b	Aides and Orderlies—Productive Hours	256,587	302	256,889
21	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 997,895	\$ 1,168	\$ 999,063
	3	5	A 8 b	Environmental and Food Services—Productive Hours	84,548	99	84,647
22	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 4,467,104	\$ 5,229	\$ 4,472,333
	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	280,747	327	281,074
23	3	5	A 11	Nonproductive Salaries and Wages	\$ 8,246,297	\$ 9,652	\$ 8,255,949
	3	5	A 11	Nonproductive Hours	325,742	381	326,123

Provider Name				Fiscal Period		NPI	Adjustments
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Adj. No.	Audit Report Page	RD Schedule					
		Page	Line				
24	3	5	B 1	Subtotal Productive Salaries	\$ 52,331,975	\$ (9,651)	\$ 52,322,324
25	3	5	B 2	Subtotal Productive Hours	1,715,460	2,062	1,717,522
26	3	5	C	Total Productive and Nonproductive Salaries	\$ 60,578,272	\$ 1	\$ 60,578,273
27	3	5	D	Total Productive and Nonproductive Hours	2,041,202	2,443	2,043,645
				To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536			