

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

**VISTA HOSPITAL OF SOUTH BAY
GARDENA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1619061660**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Chief: Maria Delgado
Audit Supervisor: Deborah Lee
Auditor: Diem Mi Ly**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 20, 2013

Administrator
Vista Hospital of South Bay
1246 West 155th Street
Gardena, CA 90247

VISTA HOSPITAL OF SOUTH BAY
NATIONAL PROVIDER IDENTIFIER (NPI): 1619061660
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.

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

Administrator
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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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

cc: Vartan Hovsepian
Chief Financial Officer
Vista Hospital of South Bay
1246 West 155th Street
Gardena, CA 90247

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME VISTA HOSPITAL OF SOUTH BAY
NPI 1619061660
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)	\$ 268,392		\$		\$ 268,392
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	\$ 2,439		\$		\$ 2,439
C. Medi-Cal Inpatient Days (Adj 3) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)					
2. ICU		107			107
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges *** (Adj)		N/A		N/A	
E. Total Medi-Cal Discharges*** (Adj 4)				3	3
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adj 5)	\$ 958,111		\$		\$ 958,111

* Data for NF or Administrative Days are not included.

** The Audited Net Cost of Covered Services is Net of Deductibles and Coinsurance and is from a source different than used on the filed report.

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

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	VISTA HOSPITAL OF SOUTH BAY
NPI	1619061660
FISCAL PERIOD	JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Adj)	8810 - 8813, and/or .71, .72, .73 and .74	\$	483,003
2. Rent and Lease Expense: (Adj)	8820-8822, and/or .75 and .76	\$	1,153,358
3. Interest Expense: (Adj 6)	8860, 8870	\$	115,765
4. Property Taxes and License Fees: (Adj)	8850 and/or .83	\$	169,043
5. Utility Expense: (Adj)	.77, .78, .79, and .80	\$	173,345
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	\$	105,900
B. GROSS OPERATING EXPENSES (Adj)	Sch 10, line 101, col. 3	\$	26,304,956
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Adj)	.20	\$	947,555
D. PHARMACY NONLABOR EXPENSE (Adj 7)	8390.37 and 8390.38	\$	25,319
E. FOOD SERVICES NONLABOR EXPENSE (Adj 8)	8320, 8330 and 8340 and/or .42 and .43	\$	239,334
F. DIRECT OPERATING COSTS			
1. Salaries and Wages (Adj. 9)	.00 - .09, .91, .95	\$	12,602,599
2. Employee Benefits (Adj. 10)	.10 - .19, .92, .96	\$	1,864,329
3. Other Professional Fees	.21 - .29	\$	3,645,030
4. Purchased Services (Adj. 11)	.61 - .69	\$	863,289
5. Supplies (Adj. 12)	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	1,683,222
6. Other Direct Operating Expense (Adj. 13)	.85 - .90	\$	196,852

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	VISTA HOSPITAL OF SOUTH BAY
NPI	1619061660
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 (Adj 14)			
a. Productive Salaries	.00	\$	2,228,682
b. Productive Hours			53,784.00
2. Technicians and Specialists (Adj 15)			
a. Productive Salaries	.01	\$	3,209,808
b. Productive Hours			145,423.00
3. Registered Nurses (Adj 16)			
a. Productive Salaries	.02	\$	3,638,882
b. Productive Hours			94,633.00
4. Licensed Vocational Nurses (Adj 17)			
a. Productive Salaries	.03	\$	902,815
b. Productive Hours			43,450.00
5. Aides and Orderlies (Adj 18)			
a. Productive Salaries	.04	\$	874,218
b. Productive Hours			69,170.00
6. Physicians (Salaried) (Adj)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners (Adj)			
a. Productive Salaries	.08	\$	
b. Productive Hours			
8. Environmental and Food Services (Adj 19)			
a. Productive Salaries	.06	\$	696,007
b. Productive Hours			71,676.00
9. Clerical and Other Administrative (Adj 20)			
a. Productive Salaries	.05	\$	1,043,938
b. Productive Hours			82,116.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	\$	8,252
b. Productive Hours			869.00
11. All Nonproductive Salaries and Wages (Adj)			
a. Nonproductive Salaries	Labor Distribution	\$	550,552
b. Nonproductive Hours	Report or Provider W/P		34,956.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a) (Adj. 21)		\$	<u>12,602,602</u>
2. Productive Hours (lines A1b - A10b)			<u>561,121.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1) (Adj. 22)		\$	<u><u>13,153,154</u></u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u><u>596,077.00</u></u>

Provider Name				Fiscal Period		NPI	Adjustments
VISTA HOSPITAL OF SOUTH BAY				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		1619061660	22
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	\$ 242,569	\$ 25,823	\$ 268,392
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 2,076	\$ 363	\$ 2,439
3	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	93	14	107
4	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	2	1	3
5	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 860,122	\$ 97,989	\$ 958,111
6	2	4	A 3	Interest Expense	\$ 137,743	\$ (21,978)	\$ 115,765
7	2	4	D	Pharmacy Nonlabor Expense	\$ 1,207,498	\$ (1,182,179)	\$ 25,319
8	2	4	E	Food Services Nonlabor Expense	\$ 245,686	\$ (6,352)	\$ 239,334
9	2	4	F 1	Direct Operating—Salaries and Wages	\$ 13,860,029	\$ (1,257,430)	\$ 12,602,599
10	2	4	F 2	Direct Operating—Employee Benefits	\$ 1,518,737	\$ 345,592	\$ 1,864,329
11	2	4	F 4	Direct Operating—Purchased Services	\$ 981,593	\$ (118,304)	\$ 863,289
12	2	4	F 6	Direct Operating—Supplies	\$ 1,467,065	\$ 216,157	\$ 1,683,222
13	2	Not Reported		Direct Operating—Other Direct Operating Expense	\$ 0	\$ 196,852	\$ 196,852

Provider Name				Fiscal Period		NPI	Adjustments
VISTA HOSPITAL OF SOUTH BAY				JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		1619061660	22
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>							
14	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 2,370,276	\$ (141,594)	\$ 2,228,682
15	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 3,337,465	\$ (127,657)	\$ 3,209,808
16	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 3,770,193	\$ (131,311)	\$ 3,638,882
17	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 965,893	\$ (63,078)	\$ 902,815
18	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 919,264	\$ (45,046)	\$ 874,218
19	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 714,613	\$ (18,606)	\$ 696,007
20	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 1,223,521	\$ (179,583)	\$ 1,043,938
21	3	5	B 1	Subtotal Productive Salaries	\$ 13,309,477	\$ (706,876)	\$ 12,602,602
22	3	5	C	Total Productive and Nonproductive Salaries	\$ 13,860,029	\$ (706,876)	\$ 13,153,154
<p style="text-align: center;">To adjust the Rate Development Schedules to agree with audit adjustments and provider records.</p> <p style="text-align: center;">CCR, Title 22, Section 51536</p>							