REPORT
ON THE AUDIT OF
RATE DEVELOPMENT SCHEDULES

DOCTORS HOSPITAL OF MANTECA
MANTECA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1992736599

FISCAL PERIOD ENDED
MAY 31, 2009

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

Section Chief: Robert Kvick
Audit Supervisor: Delia Valencia
Auditors: Gene Bannister and Brittney Heth

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

February 28, 2013

Maribel Soller, Manager
Government Programs
Tenent Healthcare Corporation
11620 Wilshire Blvd., Suite 875
Los Angeles, CA 90025-2432

DOCTORS HOSPITAL OF MANTECA
NATIONAL PROVIDER IDENTIFIER (NPI) 1992736599
FISCAL PERIOD ENDED MAY 31, 2009

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 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:

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—Sacramento at (916) 650-6994.

Original Signed By

Robert Kvick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	**DOCTORS HOSPITAL OF MANTECA**
NPI	**1992736599**
FISCAL PERIOD	**JUNE 1, 2008 THROUGH MAY 31, 2009**
CONTRACT PERIOD	**N/A**

ACUTE CARE ONLY*	Noncontract Cost Services	Medi-Cal For Contract Services	Medi-Cal Total For Fiscal Period
A. Medi-Cal Net Cost of Covered** Services Plus Hospital-Based Physician Costs, Excluding Return on Equity (Schedule 1, Line 1) (Adj 1)	$ 1,828,926	$	$ 1,828,926
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	$ 16,307	$ 4,478	$ 20,785
C. Medi-Cal Inpatient Days (Adj 3-5) (Schedules 4 and 4A)			
1. Routine (Adults and Pediatrics)	757.75		757.75
2. ICU	59		59
3. CCU			
4. Nursery	287		287
5. NICU			
6. Other (Specify)			
a.			
b.			
D. Total Hospital Discharges *** (Adj)	N/A	N/A	3,988
E. Total Medi-Cal Discharges*** (Adj 6)	257		257
F. Total Medi-Cal Inpatient Charges (Schedule 2, Line 4) (Adj 7)	$ 14,252,808	$	$ 14,252,808

* 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	**DOCTORS HOSPITAL OF MANTECA**
NPI	**1992736599**
FISCAL PERIOD	**JUNE 1, 2008 THROUGH MAY 31, 2009**
CONTRACT PERIOD	**N/A**

	REFERENCE		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Adj)	8810 - 8813, and/or .71, .72, .73 and .74	$	2,663,545
2. Rent and Lease Expense: (Adj)	8820-8822, and/or .75 and .76	$	597,919
3. Interest Expense: (Adj)	8860, 8870	$	209
4. Property Taxes and License Fees: (Adj)	8850 and/or .83	$	349,350
5. Utility Expense: (Adj)	.77, .78, .79, and .80	$	734,744
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	$	535,326
B. GROSS OPERATING EXPENSES (Adj)	Sch 10, line 101, col. 3	$	62,819,302
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	$	
2. Professional Fees (Adj)	.20	$	1,134,146
D. PHARMACY NONLABOR EXPENSE (Adj)	8390.37 and 8390.38	$	2,028,924
E. FOOD SERVICES NONLABOR EXPENSE (Adj)	8320, 8330 and 8340 and/or .42 and .43	$	393,834
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	$	27,325,200
2. Employee Benefits	.10 - .19, .92, .96	$	9,261,740
3. Other Professional Fees	.21 - .29	$	404,692
4. Purchased Services	.61 - .69	$	7,703,155
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	$	3,361,004
6. Other Direct Operating Expense	.85 - .90	$	

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	**DOCTORS HOSPITAL OF MANTECA**
NPI	**1992736599**
FISCAL PERIOD	**JUNE 1, 2008 THROUGH MAY 31, 2009**
CONTRACT PERIOD	**N/A**

A. DIRECT PAYROLL COSTS (Totals)	REFERENCE		
1. Management and Supervision (Adj)			
a. Productive Salaries	.00	$	5,193,065
b. Productive Hours			100,414.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	$	5,400,660
b. Productive Hours			162,418.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	$	8,392,424
b. Productive Hours			173,515.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	$	229,151
b. Productive Hours			9,149.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	$	765,198
b. Productive Hours			47,599.00
6. Physicians (Salaried) (Adj)			
a. Productive Salaries	.07	$	
b. Productive Hours			
7. Nonphysician Medical Practitioners (Adj)			
a. Productive Salaries	.08	$	207,080
b. Productive Hours			3,470.00
8. Environmental and Food Services (Adj)			
a. Productive Salaries	.06	$	114,437
b. Productive Hours			4,465.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	$	2,859,845
b. Productive Hours			128,537.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages (Adj)			
a. Nonproductive Salaries	Labor Distribution	$	6,096,396
b. Nonproductive Hours	Report or Provider W/P		113,459.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		$	23,161,860
2. Productive Hours (lines A1b - A10b)			629,567.00
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		$	29,258,256
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			743,026.00

Provider Name	Fiscal Period	NPI	Adjustments
DOCTORS HOSPITAL OF MANTECA	JUNE 1, 2008 THROUGH MAY 31, 2009	1992736599	7

Report References							
Adj. No.	Audit Report Page	RD Schedule Page	RD Schedule Line	Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
				ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES			
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	$ 1,751,995	$ 76,931	$ 1,828,926
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	$	$	$
2	1	3	B	Deductibles and Coinsurance—Noncontract	$ 16,307	$ 4,478	$ 20,785
	1	3	B	Deductibles and Coinsurance—Contract	$	$	$
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	680	77.75	757.75
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract			
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	54	5	59
	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	271	16	287
	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
DOCTORS HOSPITAL OF MANTECA	JUNE 1, 2008 THROUGH MAY 31, 2009	1992736599	7

Report References							
Adj. No.	Audit Report Page	RD Schedule Page	RD Schedule Line	Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
	1	3	D	Total Hospital Discharges	3,988		3,988
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	244	13	257
	1	3	E	Total Medi-Cal Discharges—Acute—Contract			
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	$ 12,725,064	$ 1,527,744	$ 14,252,808
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	$	$	$
	2	4	A 1	Depreciation Expense	$ 2,663,545	$	$ 2,663,545
	2	4	A 2	Rent and Lease Expense	$ 597,919	$	$ 597,919
	2	4	A 3	Interest Expense	$ 209	$	$ 209
	2	4	A 4	Property Taxes and License Fees	$ 349,350	$	$ 349,350
	2	4	A 5	Utility Expense	$ 734,744	$	$ 734,744
	2	4	A 6	Malpractice Insurance Expense	$ 535,326	$	$ 535,326
	2	4	B	Gross Operating Expenses	$ 62,819,302	$	$ 62,819,302
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	$	$	$
	2	4	C 2	Student and Physicians Compensation—Professional Fees	$ 1,134,146	$	$ 1,134,146
	2	4	D	Pharmacy Nonlabor Expense	$ 2,028,924	$	$ 2,028,924

Provider Name	Fiscal Period	NPI	Adjustments
DOCTORS HOSPITAL OF MANTECA	JUNE 1, 2008 THROUGH MAY 31, 2009	1992736599	7

Report References							
Adj. No.	Audit Report Page	RD Schedule Page	RD Schedule Line	Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
2	4	E		Food Services Nonlabor Expense	$ 393,834	$	$ 393,834
2	4	F 1		Direct Operating—Salaries and Wages	$ 27,325,200	$	$ 27,325,200
2	4	F 2		Direct Operating—Employee Benefits	$ 9,261,740	$	$ 9,261,740
2	4	F 3		Direct Operating—Other Professional Fees	$ 404,692	$	$ 404,692
2	4	F 4		Direct Operating—Purchased Services	$ 7,703,155	$	$ 7,703,155
2	4	F 5		Direct Operating—Supplies	$ 3,361,004	$	$ 3,361,004
2	4	F 6		Direct Operating—Other Direct Operating Expense	$	$	$
3	5	A 1 a		Management and Supervision—Productive Salaries	$ 5,193,065	$	$ 5,193,065
3	5	A 1 b		Management and Supervision—Productive Hours	100,414		100,414
3	5	A 2 a		Technicians and Specialists—Productive Salaries	$ 5,400,660	$	$ 5,400,660
3	5	A 2 b		Technicians and Specialists—Productive Hours	162,418		162,418
3	5	A 3 a		Registered Nurses—Productive Salaries	$ 8,392,424	$	$ 8,392,424
3	5	A 3 b		Registered Nurses—Productive Hours	173,515		173,515
3	5	A 4 a		Licensed Vocational Nurses—Productive Salaries	$ 229,151	$	$ 229,151
3	5	A 4 b		Licensed Vocational Nurses—Productive Hours	9,149		9,149
3	5	A 5 a		Aides and Orderlies—Productive Salaries	$ 765,198	$	$ 765,198
3	5	A 5 b		Aides and Orderlies—Productive Hours	47,599		47,599

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DOCTORS HOSPITAL OF MANTECA	JUNE 1, 2008 THROUGH MAY 31, 2009	1992736599	7

Report References							
Adj. No.	Audit Report Page	RD Schedule Page	RD Schedule Line	Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
	3	5	A 6 a	Physicians (Salaried)—Productive Salaries	$	$	$
	3	5	A 6 b	Physicians (Salaried)—Productive Hours			
	3	5	A 7 a	Nonphysician Medical Practitioners—Productive Salaries	$ 207,080	$	$ 207,080
	3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours	3,470		3,470
	3	5	A 8 a	Environmental and Food Services—Productive Salaries	$ 114,437	$	$ 114,437
	3	5	A 8 b	Environmental and Food Services—Productive Hours	4,465		4,465
	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	$ 2,859,845	$	$ 2,859,845
	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	128,537		128,537
	3	5	A 10 a	Other Salaries and Wages—Productive Salaries	$	$	$
	3	5	A 10 b	Other Salaries and Wages—Productive Hours			
	3	5	A 11	Nonproductive Salaries and Wages	$ 6,096,396	$	$ 6,096,396
	3	5	A 11	Nonproductive Hours	113,459		113,459
	3	5	B 1	Subtotal Productive Salaries	$ 23,161,860	$	$ 23,161,860
	3	5	B 2	Subtotal Productive Hours	629,567		629,567
	3	5	C	Total Productive and Nonproductive Salaries	$ 29,258,256	$	$ 29,258,256
	3	5	D	Total Productive and Nonproductive Hours	743,026		743,026

To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records.
CCR, Title 22, Section 51536