

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

**CENTRAL VALLEY GENERAL HOSPITAL
HANFORD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1891777983**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Michael Harrold
Audit Supervisor: Linda King
Auditor: Dianna Morgan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 30, 2013

Tom Schales
Director of Budgeting and Reimbursement
Central Valley General Hospital
450 North Greenfield Avenue
Hanford, CA 93230

CENTRAL VALLEY GENERAL HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1891777983
FISCAL PERIOD ENDED DECEMBER 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 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.

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

Tom Schales
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(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—Fresno at (559) 446-2458.

Original Signed by

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

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	CENTRAL VALLEY GENERAL HOSPITAL
NPI	1891777983
FISCAL PERIOD	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	1,960,549
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	3,162,098
3. Interest Expense: (Adj 7)	8860, 8870	\$	5,942
4. Property Taxes and License Fees:	8850 and/or .83	\$	127,425
5. Utility Expense:	.77, .78, .79, and .80	\$	854,288
6. Malpractice Insurance Expense: (Adj 8)	8830 and/or .81	\$	207,578
B. GROSS OPERATING EXPENSES	Sch 10, line 101, col. 3	\$	104,117,051
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Adj 9)	.20	\$	24,045,374
D. PHARMACY NONLABOR EXPENSE (Adj 10)	8390.37 and 8390.38	\$	1,902,046
E. FOOD SERVICES NONLABOR EXPENSE (Adj 11)	8320, 8330 and 8340 and/or .42 and .43	\$	535,647
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	40,700,089
2. Employee Benefits (Adj 12)	.10 - .19, .92, .96	\$	11,019,883
3. Other Professional Fees (Adj 13)	.21 - .29	\$	1,391,167
4. Purchased Services (Adj 14)	.61 - .69	\$	7,398,201
5. Supplies (Adj 15)	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	8,441,570

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	CENTRAL VALLEY GENERAL HOSPITAL
NPI	1891777983
FISCAL PERIOD	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009
CONTRACT PERIOD	N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	4,705,759
b. Productive Hours			82,606.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	3,837,202
b. Productive Hours			122,132.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	9,061,165
b. Productive Hours			175,829.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	1,631,708
b. Productive Hours			73,689.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	4,238,772
b. Productive Hours			318,160.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	4,036,470
b. Productive Hours			61,025.00
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	1,468,215
b. Productive Hours			96,619.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	7,485,428
b. Productive Hours			496,247.00
10. Other Salaries and Wages (Adj 16)			
a. Productive Salaries	.09	\$	185,599
b. Productive Hours			7,696.00
11. All Nonproductive Salaries and Wages (Adj 17)			
a. Nonproductive Salaries	Labor Distribution	\$	4,049,769
b. Nonproductive Hours	Report or Provider W/P		169,804.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	36,650,318
2. Productive Hours (lines A1b - A10b)			<u>1,434,003.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>40,700,087</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>1,603,807.00</u>

Provider Name				Fiscal Period	Provider No.	Adjustments	
CENTRAL VALLEY GENERAL HOSPITAL				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	1891777983	18	
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	\$ 13,984,770	\$ (3,112,003)	\$ 10,872,767
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 24,105	\$ 223,482	\$ 247,587
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	4,413	41	4,454
4	1	3	C 4	Medi-Cal Inpatient Days—Nursery —Noncontract	2,144	(3)	2,141
5	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,997	(37)	1,960
6	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 33,368,112	\$ 12,659	\$ 33,380,771
7	2	4	A 3	Expenses Pass - Through Data - Interest Expense	\$ 310,201	\$ (304,259)	\$ 5,942
8	2	4	A 6	Expenses Pass - Through Data - Malpractice Insurance Expense	\$ 747,018	\$ (539,440)	\$ 207,578
9	2	4	C 2	Student and Physicians Compensation - Professional Fees	\$ 24,257,651	\$ (212,277)	\$ 24,045,374
10	2	4	D	Pharmacy Nonlabor Expenses	\$ 1,007,113	\$ 894,933	\$ 1,902,046
11	2	4	E	Food Services Nonlabor Expenses	\$ 510,223	\$ 25,424	\$ 535,647
12	2	4	F 2	Direct Operating Costs - Employee Benefits	\$ 12,219,040	\$ (1,199,157)	\$ 11,019,883
13	2	4	F 3	Direct Operating Costs - Other Professional Fees	\$ 1,711,333	\$ (320,166)	\$ 1,391,167
14	2	4	F 4	Direct Operating Costs - Purchased Services	\$ 6,728,895	\$ 669,306	\$ 7,398,201
15	2	4	F 5	Direct Operating Costs - Supplies	\$ 9,987,429	\$ (1,545,859)	\$ 8,441,570

Provider Name				Fiscal Period		Provider No.	Adjustments
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Adj. No.	Audit Report Page	RD Schedule					
		Page	Line				
16	3	5	A 10 a	Direct Payroll Costs - Other Salaries and Wages - Productive Salaries	\$ 178,730	\$ 6,869	\$ 185,599
17	3	5	A 11 a	Nonproductive Salaries and Wages	\$ 4,056,640	\$ (6,871)	\$ 4,049,769
18	3	5	B 1	Subtotal Productive Salaries	\$ 36,643,449	\$ 6,870	\$ 36,650,319
<p>To adjust the Rate Development Schedules to agree with audit adjustments and provider records. CCR, Title 22, Section 51536</p>							

Provider Name				Fiscal Period	Provider No.	Adjustments	
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