

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

**JOHN MUIR MEDICAL CENTER – CONCORD CAMPUS
CONCORD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1801821376**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Louise Wong
Audit Supervisor: Marisa Ho
Auditor: Jun Yan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

October 17, 2012

George Fan
Reimbursement Manager
John Muir Medical Center
1400 Treat Boulevard
Walnut Creek, CA 94597

JOHN MUIR MEDICAL CENTER – CONCORD CAMPUS
NATIONAL PROVIDER IDENTIFIER (NPI) 1801821376
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:

George Fan
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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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	JOHN MUIR MEDICAL CENTER - CONCORD CAMPUS
PROVIDER NPI	1801821376
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	\$ 11,665,812
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$ 1,271,110
3. Interest Expense:	8860, 8870	\$ 2,241,688
4. Property Taxes and License Fees:	8850 and/or .83	\$ 504,415
5. Utility Expense:	.77, .78, .79, and .80	\$ 2,287,781
6. Malpractice Insurance Expense:	8830 and/or .81	\$ 0
B. GROSS OPERATING EXPENSES (Adj 7)	Sch 10, line 101, col. 3	\$ 306,250,524
C. STUDENT AND PHYSICIANS COMPENSATION		
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$ 0
2. Professional Fees	.20	\$ 9,729,243
D. PHARMACY NONLABOR EXPENSE	8390.37 and 8390.38	\$ 105,385
E. FOOD SERVICES NONLABOR EXPENSE	8320, 8330 and 8340 and/or .42 and .43	\$ 904,940
F. DIRECT OPERATING COSTS		
1. Salaries and Wages (Adj 8)	.00 - .09, .91, .95	\$ 99,396,422
2. Employee Benefits (Adj 9)	.10 - .19, .92, .96	\$ 67,425,174
3. Other Professional Fees	.21 - .29	\$ 6,876,732
4. Purchased Services	.61 - .69	\$ 57,223,830
5. Supplies	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$ 44,425,459
6. Other Direct Operating Expense (Adj 10)	.85 - .90	\$ 2,192,533

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	JOHN MUIR MEDICAL CENTER - CONCORD CAMPUS
PROVIDER NPI	1801821376
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	\$	6,010,297
b. Productive Hours			90,669
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	25,393,771
b. Productive Hours			510,104
3. Registered Nurses			
a. Productive Salaries	.02	\$	50,549,250
b. Productive Hours			808,424
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	317,332
b. Productive Hours			8,923
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	4,656,782
b. Productive Hours			185,507
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	808,590
b. Productive Hours			9,949
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	6,349,252
b. Productive Hours			242,406
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	4,724,249
b. Productive Hours			176,147
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	586,899
b. Productive Hours			17,957
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	20,380,038
b. Nonproductive Hours	Report or Provider W/P		434,080
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	<u>99,396,422</u>
2. Productive Hours (lines A1b - A10b)			<u>2,050,086</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>119,776,460</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>2,484,166</u>

Provider Name				Fiscal Period		NPI	Adjustments
JOHN MUIR MEDICAL CENTER - CONCORD CAMPUS				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1801821376	10
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	\$ 12,959,686	\$ 3,742,894	\$ 16,702,580
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$	\$	\$
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 179,018	\$ 25,150	\$ 204,168
	1	3	B	Deductibles and Coinsurance—Contract	\$	\$	\$
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	2,636	704	3,340
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract			
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	638	248	886
	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			
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract			
	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
JOHN MUIR MEDICAL CENTER - CONCORD CAMPUS				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1801821376	10
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule					
		Page	Line				
	1	3	D	Total Hospital Discharges	9,194	0	9,194
5	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,082	(423)	659
	1	3	E	Total Medi-Cal Discharges—Acute—Contract			
6	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 68,016,743	\$ 22,458,635	\$ 90,475,378
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$	\$	\$
	2	4	A 1	Depreciation Expense	\$ 11,665,812	\$ 0	\$ 11,665,812
	2	4	A 2	Rent and Lease Expense	\$ 1,271,110	\$ 0	\$ 1,271,110
	2	4	A 3	Interest Expense	\$ 2,241,688	\$ 0	\$ 2,241,688
	2	4	A 4	Property Taxes and License Fees	\$ 504,415	\$ 0	\$ 504,415
	2	4	A 5	Utility Expense	\$ 2,287,781	\$ 0	\$ 2,287,781
	2	4	A 6	Malpractice Insurance Expense	\$	\$	\$
7	2	4	B	Gross Operating Expenses	\$ 306,011,914	\$ 238,610	\$ 306,250,524
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$	\$	\$
	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 9,729,243	\$ 0	\$ 9,729,243
	2	4	D	Pharmacy Nonlabor Expense	\$ 105,385	\$ 0	\$ 105,385

Provider Name				Fiscal Period		NPI	Adjustments
JOHN MUIR MEDICAL CENTER - CONCORD CAMPUS				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1801821376	10
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule					
		Page	Line				
	2	4	E	Food Services Nonlabor Expense	\$ 904,940	\$ 0	\$ 904,940
8	2	4	F 1	Direct Operating—Salaries and Wages	\$ 122,911,736	\$ (23,515,314)	\$ 99,396,422
9	2	4	F 2	Direct Operating—Employee Benefits	\$ 43,909,860	\$ 23,515,314	\$ 67,425,174
	2	4	F 3	Direct Operating—Other Professional Fees	\$ 6,876,732	\$ 0	\$ 6,876,732
	2	4	F 4	Direct Operating—Purchased Services	\$ 57,223,830	\$ 0	\$ 57,223,830
	2	4	F 5	Direct Operating—Supplies	\$ 44,425,459	\$ 0	\$ 44,425,459
10	2	4	F 6	Direct Operating—Other Direct Operating Expense	\$ 0	\$ 2,192,533	\$ 2,192,533
	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 6,010,297	\$ 0	\$ 6,010,297
	3	5	A 1 b	Management and Supervision—Productive Hours	90,669	0	90,669
	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 25,393,771	\$ 0	\$ 25,393,771
	3	5	A 2 b	Technicians and Specialists—Productive Hours	510,104	0	510,104
	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 50,549,250	\$ 0	\$ 50,549,250
	3	5	A 3 b	Registered Nurses—Productive Hours	808,424	0	808,424
	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 317,332	\$ 0	\$ 317,332
	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	8,923	0	8,923
	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 4,656,782	\$ 0	\$ 4,656,782
	3	5	A 5 b	Aides and Orderlies—Productive Hours	185,507	0	185,507

Provider Name				Fiscal Period		NPI	Adjustments	
JOHN MUIR MEDICAL CENTER - CONCORD CAMPUS				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1801821376	10	
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted	
Adj. No.	Audit Report Page	RD Schedule						
		Page	Line					
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	\$ 808,590	\$ 0	\$ 808,590		
3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours	9,949	0	9,949		
3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 6,349,252	\$ 0	\$ 6,349,252		
3	5	A 8 b	Environmental and Food Services—Productive Hours	242,406	0	242,406		
3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 4,724,249	\$ 0	\$ 4,724,249		
3	5	A 9 b	Clerical and Other Administrative—Productive Hours	176,147	0	176,147		
3	5	A 10 a	Other Salaries and Wages—Productive Salaries	\$ 586,899	\$ 0	\$ 586,899		
3	5	A 10 b	Other Salaries and Wages—Productive Hours	17,957	0	17,957		
3	5	A 11	Nonproductive Salaries and Wages	\$ 20,380,038	\$ 0	\$ 20,380,038		
3	5	A 11	Nonproductive Hours	434,080	0	434,080		
3	5	B 1	Subtotal Productive Salaries	\$ 99,369,422	\$ 0	\$ 99,369,422		
3	5	B 2	Subtotal Productive Hours	2,050,086	0	2,050,086		
3	5	C	Total Productive and Nonproductive Salaries	\$ 119,776,460	\$ 0	\$ 119,776,460		
3	5	D	Total Productive and Nonproductive Hours	2,484,166	0	2,484,166		
To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536								