REPORT
ON THE AUDIT OF
RATE DEVELOPMENT SCHEDULES

MERCY HOSPITAL BAKERSFIELD
BAKERSFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1104981661

FISCAL PERIOD ENDED
JUNE 30, 2009

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

Section Chief: Michael Harrold
Auditor: Sandy Feng

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

October 10, 2012

Andrew Cantu, CFO
Mercy Hospital Bakersfield
2215 Truxtun Avenue
Bakersfield, CA 93301

MERCY HOSPITAL BAKERSFIELD
NATIONAL PROVIDER IDENTIFIER (NPI) 1104981661
FISCAL PERIOD ENDED JUNE 30, 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 Department's Fee-For-Service Rate 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:

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—Fresno at (559) 446-2458.

Original Signed by

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

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME **MERCY HOSPITAL BAKERSFIELD**
NPI **1104981661**
FISCAL PERIOD **JULY 1, 2008 THROUGH JUNE 30, 2009**
CONTRACT PERIOD

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)	$ 9,934,136	$	$ 9,934,136
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj 2)	$ 171,172	$	$ 171,172
C. Medi-Cal Inpatient Days (Adj 3-7) (Schedules 4 and 4A)			
1. Routine (Adults and Pediatrics)	3,632		3,632
2. ICU	963		963
3. CCU			
4. Nursery	273		273
5. NICU	113		113
6. Other (Specify)			
a. SNF	0		
b.			
D. Total Hospital Discharges **	N/A	N/A	14,406
E. Total Medi-Cal Discharges** (Adj 8)	919		919
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adj 9)	$ 49,139,725	$	$ 49,139,725

* Data for NF or Administrative Days are not included.
** Data for newborns that were born in the hospital are not included.

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME **MERCY HOSPITAL BAKERSFIELD**
NPI **1104981661**
FISCAL PERIOD **JULY 1, 2008 THROUGH JUNE 30, 2009**
CONTRACT PERIOD

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Provider Name	Fiscal Period	NPI	Adjustments
MERCY HOSPITAL BAKERSFIELD	JULY 1, 2008 THROUGH JUNE 30, 2009	1104981661	15

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	$ 9,100,887	$ 833,249	$ 9,934,136
2	1	3	B	Deductibles and Coinsurance—Noncontract	$ 199,139	$ (27,967)	$ 171,172
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	3,060	572	3,632
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	851	112	963
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	242	31	273
6	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract	124	(11)	113
7	1	3	C 6 a	Medi-Cal Inpatient Days—SNF—Noncontract	457	(457)	0
8	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	834	85	919
9	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	$ 42,621,087	$ 6,518,638	$ 49,139,725
10	2	4	B	Gross Operating Expenses	$ 216,853,363	$ (14,274,894)	$ 202,578,469
11	2	4	F 1	Direct Operating—Salaries and Wages	$ 92,918,597	$ (9,134,771)	$ 83,783,826
12	2	4	F 2	Direct Operating—Employee Benefits	$ 27,525,582	$ 9,134,831	$ 36,660,413
13	2	4	F 4	Direct Operating—Purchased Services	$ 15,570,413	$ 23,969,119	$ 39,539,532

Provider Name	Fiscal Period	NPI	Adjustments
MERCY HOSPITAL BAKERSFIELD	JULY 1, 2008 THROUGH JUNE 30, 2009	1104981661	15

Report References							
Adj. No.	Audit Report Page	RD Schedule Page	RD Schedule Line	Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
14	3	5	A 11	Nonproductive Hours	408,157	(7,255)	400,902
15	3	5	D	Total Productive and Nonproductive Hours	2,758,260	(7,255)	2,751,005

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

MEDI-CAL DISCHARGES

PROVIDER NAME	NPI	FPE
MERCY HOSPITAL BAKERSFIELD	1104981661	

MONTH/YR	RUN PAGE NUMBER	TOTAL LINES	ADJUSTMENTS						ADJUSTED TOTAL
			NURSERY	DB & CR ENTRIES	ZERO DAYS	30 & 31 CODES	"V" CODE	OTHER (EXPLAIN)	
									0
									0
									0
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TOTALS			0	0	0	0	0	0	0