

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

**SUTTER DELTA MEDICAL CENTER  
ANTIOCH, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1124135132**

**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: Diana Dong  
Auditor: Laurie Plancarte**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

November 15, 2012

Michael Bass  
Reimbursement Manager  
Sutter Health  
2880 Gateway Oaks, Suite 200  
Sacramento, CA 95833

SUTTER DELTA MEDICAL CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI) 1124135132  
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 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](http://www.oal.ca.gov).

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

Michael Bass  
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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

<b>PROVIDER NAME</b>	<b>SUTTER DELTA MEDICAL CENTER</b>
<b>NPI</b>	<b>1124135132</b>
<b>FISCAL PERIOD</b>	<b>JANUARY 1, 2009 THROUGH DECEMBER 31, 2009</b>
<b>CONTRACT PERIOD</b>	<b>N/A</b>

	<u>REFERENCE</u>		
<b>A. EXPENSE PASS-THROUGH DATA</b>			
1. Depreciation Expense: (Adj 10)	8810 - 8813, and/or .71, .72, .73 and .74	\$	6,722,600
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	1,047,347
3. Interest Expense: (Adj 11)	8860, 8870	\$	2,039,550
4. Property Taxes and License Fees: (Adj 12)	8850 and/or .83	\$	201,710
5. Utility Expense:	.77, .78, .79, and .80	\$	1,564,924
6. Malpractice Insurance Expense: (Adj 13)	8830 and/or .81	\$	1,510,464
<b>B. GROSS OPERATING EXPENSES</b>	Sch 10, line 101, col. 3	\$	139,260,686
<b>C. STUDENT AND PHYSICIANS COMPENSATION</b>			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	4,925,843
<b>D. PHARMACY NONLABOR EXPENSE</b> (Adj 14)	8390.37 and 8390.38	\$	3,072,362
<b>E. FOOD SERVICES NONLABOR EXPENSE</b> (Adj 15)	8320, 8330 and 8340 and/or .42 and .43	\$	1,029,567
<b>F. DIRECT OPERATING COSTS</b>			
1. Salaries and Wages	.00 - .09, .91, .95	\$	51,758,937
2. Employee Benefits	.10 - .19, .92, .96	\$	29,048,231
3. Other Professional Fees	.21 - .29	\$	6,763,515
4. Purchased Services	.61 - .69	\$	17,054,459
5. Supplies (Adj 16)	.31 - .36, .39 - .41, .44 - .50, .93, .97	\$	10,526,775
6. Other Direct Operating Expense (Adj 17)	.85 - .90	\$	1,994,402

**RATE DEVELOPMENT SCHEDULES**

<b>PROVIDER NAME</b>	<b>SUTTER DELTA MEDICAL CENTER</b>
<b>NPI</b>	<b>1124135132</b>
<b>FISCAL PERIOD</b>	<b>JANUARY 1, 2009 THROUGH DECEMBER 31, 2009</b>
<b>CONTRACT PERIOD</b>	<b>N/A</b>

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision (Adj 18)			
a. Productive Salaries	.00	\$	3,798,368
b. Productive Hours			60,696.00
2. Technicians and Specialists (Adj 19)			
a. Productive Salaries	.01	\$	12,617,245
b. Productive Hours			266,220.00
3. Registered Nurses (Adj 20)			
a. Productive Salaries	.02	\$	24,532,808
b. Productive Hours			401,497.00
4. Licensed Vocational Nurses (Adj 21)			
a. Productive Salaries	.03	\$	960,157
b. Productive Hours			30,177.00
5. Aides and Orderlies (Adj 22)			
a. Productive Salaries	.04	\$	915,164
b. Productive Hours			55,380.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	0
b. Productive Hours			0
7. Nonphysician Medical Practitioners (Adj 23)			
a. Productive Salaries	.08	\$	685,290
b. Productive Hours			0
8. Environmental and Food Services (Adj 24)			
a. Productive Salaries	.06	\$	2,427,000
b. Productive Hours			107,752.00
9. Clerical and Other Administrative (Adj 25)			
a. Productive Salaries	.05	\$	5,001,515
b. Productive Hours			208,660.00
10. Other Salaries and Wages (Adj 26)			
a. Productive Salaries	.09	\$	821,390
b. Productive Hours			41,037.00
11. All Nonproductive Salaries and Wages (Adj 27)			
a. Nonproductive Salaries	Labor Distribution	\$	0
b. Nonproductive Hours	Report or Provider W/P		0
<b>B. SUBTOTAL DIRECT PAYROLL COST</b>			
1. Productive Salaries (lines A1a - A10a)		\$	<u>51,758,937</u>
2. Productive Hours (lines A1b - A10b)			<u>1,171,419.00</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)</b>		<b>\$</b>	<b><u>51,758,937</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)</b>			<b><u>1,171,419.00</u></b>

Provider Name				Fiscal Period		NPI	Adjustments
SUTTER DELTA MEDICAL CENTER				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1124135132	30
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<b><u>ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES</u></b>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 13,283,837	\$ 1,532,844	\$ 14,816,681
	1	3	A	Medi-Cal Net Cost of Covered Services—Contract	\$ 0	\$ 0	\$ 0
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 2,568,310	\$ (2,271,767)	\$ 296,543
	1	3	B	Deductibles and Coinsurance—Contract	\$ 0	\$ 0	\$ 0
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	3,695	641	4,336
	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Contract	0	0	0
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	389	97	486
	1	3	C 2	Medi-Cal Inpatient Days—ICU—Contract	0	0	0
5	1	3	C 3	Medi-Cal Inpatient Days—CCU—Noncontract	158	(158)	0
	1	3	C 3	Medi-Cal Inpatient Days—CCU—Contract	0	0	0
6	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	483	255	738
	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Contract	0	0	0
7	1	3	C 5	Medi-Cal Inpatient Days—NICU—Noncontract	0	36	36
	1	3	C 5	Medi-Cal Inpatient Days—NICU—Contract	0	0	0
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ Noncontract	0	0	0
	1	3	C 6 a	Medi-Cal Inpatient Days—_____ Contract	0	0	0
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Noncontract	0	0	0
	1	3	C 6 b	Medi-Cal Inpatient Days—_____ Contract	0	0	0

Provider Name				Fiscal Period		NPI	Adjustments
SUTTER DELTA MEDICAL CENTER				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1124135132	30
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	7,653	0	7,653
8	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,052	170	1,222
	1	3	E	Total Medi-Cal Discharges—Acute—Contract	0	0	0
9	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 49,835,762	\$ 9,242,229	\$ 59,077,991
	1	3	F	Total Medi-Cal Inpatient Charges—Contract	\$	\$	\$
10	2	4	A 1	Depreciation Expense	\$ 6,869,556	\$ (146,956)	\$ 6,722,600
	2	4	A 2	Rent and Lease Expense	\$ 1,047,347	\$ 0	\$ 1,047,347
11	2	4	A 3	Interest Expense	\$ 2,038,358	\$ 1,192	\$ 2,039,550
12	2	4	A 4	Property Taxes and License Fees	\$ 95,489	\$ 106,221	\$ 201,710
	2	4	A 5	Utility Expense	\$ 1,564,924	\$ 0	\$ 1,564,924
13	2	4	A 6	Malpractice Insurance Expense	\$ 1,297,850	\$ 212,614	\$ 1,510,464
	2	4	B	Gross Operating Expenses	\$ 139,260,686	\$ 0	\$ 139,260,686
	2	4	C 1	Student and Physicians Compensation—Salaries and Wages	\$ 0	\$ 0	\$ 0
	2	4	C 2	Student and Physicians Compensation—Professional Fees	\$ 4,925,843	\$ 0	\$ 4,925,843
14	2	4	D	Pharmacy Nonlabor Expense	\$ 2,962,310	\$ 110,052	\$ 3,072,362
15	2	4	E	Food Services Nonlabor Expense	\$ 1,030,006	\$ (439)	\$ 1,029,567

Provider Name				Fiscal Period		NPI	Adjustments	
SUTTER DELTA MEDICAL CENTER				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1124135132	30	
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted	
Adj. No.	Audit Report Page	RD Schedule						
		Page	Line					
	2	4	F 1	Direct Operating—Salaries and Wages	\$ 51,758,937	\$ 0	\$ 51,758,937	
	2	4	F 2	Direct Operating—Employee Benefits	\$ 29,048,231	\$ 0	\$ 29,048,231	
	2	4	F 3	Direct Operating—Other Professional Fees	\$ 6,763,515	\$ 0	\$ 6,763,515	
	2	4	F 4	Direct Operating—Purchased Services	\$ 17,054,459	\$ 0	\$ 17,054,459	
16	2	4	F 5	Direct Operating—Supplies	\$ 10,526,776	\$ (1)	\$ 10,526,775	
17	2	4	N/A	Direct Operating—Other Direct Operating Expense	\$ 0	\$ 1,994,402	\$ 1,994,402	
18	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 3,716,271	\$ 82,097	\$ 3,798,368	
	3	5	A 1 b	Management and Supervision—Productive Hours	60,696	0	60,696	
19	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 10,763,773	\$ 1,853,472	\$ 12,617,245	
	3	5	A 2 b	Technicians and Specialists—Productive Hours	266,220	0	266,220	
20	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 23,786,375	\$ 746,433	\$ 24,532,808	
	3	5	A 3 b	Registered Nurses—Productive Hours	401,497	0	401,497	
21	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 976,898	\$ (16,741)	\$ 960,157	
	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	30,177	0	30,177	
22	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 1,309,255	\$ (394,091)	\$ 915,164	
	3	5	A 5 b	Aides and Orderlies—Productive Hours	55,380	0	55,380	
	3	5	A 6 a	Physicians (Salaried)—Productive Salaries	\$ 0	\$ 0	\$ 0	
	3	5	A 6 b	Physicians (Salaried)—Productive Hours	0	0	0	

Provider Name				Fiscal Period		NPI	Adjustments
SUTTER DELTA MEDICAL CENTER				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1124135132	30
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule					
		Page	Line				
23	3	5	A 7 a	Nonphysician Medical Practitioners—Productive Salaries	\$ 0	\$ 685,290	\$ 685,290
	3	5	A 7 b	Nonphysician Medical Practitioners—Productive Hours	0	0	0
24	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 2,403,597	\$ 23,403	\$ 2,427,000
	3	5	A 8 b	Environmental and Food Services—Productive Hours	107,752	0	107,752
25	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 4,983,405	\$ 18,110	\$ 5,001,515
	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	208,660	0	208,660
26	3	5	A 10 a	Other Salaries and Wages—Productive Salaries	\$ 1,061,774	\$ (240,384)	\$ 821,390
	3	5	A 10 b	Other Salaries and Wages—Productive Hours	41,037	0	41,037
27	3	5	A 11	Nonproductive Salaries and Wages	\$ 9,720,772	\$ (9,720,772)	\$ 0
	3	5	A 11	Nonproductive Hours	167,878	(167,878)	0
28	3	5	B 1	Subtotal Productive Salaries	\$ 49,001,348	\$ 2,757,589	\$ 51,758,937
	3	5	B 2	Subtotal Productive Hours	1,171,419	0	1,171,419
29	3	5	C	Total Productive and Nonproductive Salaries	\$ 58,772,120	\$ (6,963,183)	\$ 51,808,937
30	3	5	D	Total Productive and Nonproductive Hours	1,339,296	(167,877)	1,171,419
<p>To adjust the Rate Development Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Section 51536</p>							