

**REPORT
ON THE AUDIT OF
PEER GROUPING INPATIENT REIMBURSEMENT
LIMITATION (PIRL)
SAN JOAQUIN COMMUNITY HOSPITAL
BAKERSFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1538157508**

**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: Kathy Atkins
Auditor: Susan Calvino**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

March 18, 2014

Brent Sofer, CFO
San Joaquin Community Hospital
2615 Chester Avenue
Bakersfield, CA 93301

SAN JOAQUIN COMMUNITY HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1538157508
FISCAL PERIOD ENDED DECEMBER 31, 2009

We have examined the Peer Grouping Inpatient Reimbursement Limitation (PIRL) 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 PIRL 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. Peer Grouping Inpatient Reimbursement Limitation 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 Safety Net Financing Division pursuant to California Code of Regulations (CCR), Title 22, Sections 51545 through 51556. These regulations may be viewed at www.oal.ca.gov.

Brent Sofer
Page 2

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	SAN JOAQUIN COMMUNITY HOSPITAL
NPI	1538157508
FISCAL PERIOD	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009
CONTRACT PERIOD	N/A

	<u>REFERENCE</u>		
A. EXPENSE PASS-THROUGH DATA			
1. Depreciation Expense: (Adj 8)	8810 - 8813, and/or .71, .72, .73 and .74	\$	7,101,059
2. Rent and Lease Expense:	8820-8822, and/or .75 and .76	\$	1,352,229
3. Interest Expense:	8860, 8870	\$	2,838,562
4. Property Taxes and License Fees: (Adj 9)	8850 and/or .83	\$	677,637
5. Utility Expense:	.77, .78, .79, and .80	\$	2,404,202
6. Malpractice Insurance Expense:	8830 and/or .81	\$	1,364,766
B. GROSS OPERATING EXPENSES (Adj 10)	Sch 10, Audited Total Cost	\$	189,675,123
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	3,284,101
D. PHARMACY NONLABOR EXPENSE	8390.37 and 8390.38	\$	7,539,566
E. FOOD SERVICES NONLABOR EXPENSE	8320, 8330 and 8340 and/or .42 and .43	\$	1,281,890
F. DIRECT OPERATING COSTS (Adj 11-14)			
1. Salaries and Wages	.00 - .09, .91, .95	\$	77,143,555
2. Employee Benefits	.10 - .19, .92, .96	\$	28,261,797
3. Other Professional Fees	.21 - .29	\$	10,378,838
4. Purchased Services	.61 - .69	\$	21,772,124
5. Supplies	.31 - .36, .39 - .41,	\$	35,279,191
6. Other Expense	.44 - .50, .93, .97	\$	2,287,152

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	SAN JOAQUIN COMMUNITY HOSPITAL
NPI	1538157508
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 (Adj 15)			
a. Productive Salaries	.00	\$	8,510,474
b. Productive Hours			168,617
2. Technicians and Specialists (Adj 16)			
a. Productive Salaries	.01	\$	14,380,075
b. Productive Hours			471,585
3. Registered Nurses (Adj 17)			
a. Productive Salaries	.02	\$	35,519,132
b. Productive Hours			785,091
4. Licensed Vocational Nurses (Adj 18)			
a. Productive Salaries	.03	\$	618,894
b. Productive Hours			22,045
5. Aides and Orderlies (Adj 19)			
a. Productive Salaries	.04	\$	4,893,048
b. Productive Hours			317,908
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	
b. Productive Hours			
8. Environmental and Food Services (Adj 20)			
a. Productive Salaries	.06	\$	1,164,924
b. Productive Hours			93,792
9. Clerical and Other Administrative (Adj 21)			
a. Productive Salaries	.05	\$	5,828,279
b. Productive Hours			341,350
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages (Adj 22)			
a. Nonproductive Salaries	Labor Distribution	\$	12,856,721
b. Nonproductive Hours	Report or Provider W/P		474,877
B. SUBTOTAL DIRECT PAYROLL COST (Adj 23-24)			
1. Productive Salaries (lines A1a - A10a)		\$	<u>70,914,826</u>
2. Productive Hours (lines A1b - A10b)			<u>2,200,388</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1) (Adj 25)		\$	<u>83,771,547</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2) (Adj 26)			<u>2,675,265</u>

Provider Name				Fiscal Period		NPI	Adjustments
SAN JOAQUIN COMMUNITY HOSPITAL				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1538157508	26
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<u>ADJUSTMENTS TO PIRL SCHEDULES</u>							
1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 13,684,495	\$ 2,400,886	\$ 16,085,381
2	1	3	B	Deductibles and Coinsurance—Noncontract	\$ 295,829	\$ 179,460	\$ 475,289
3	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	5,666	1,271	6,937
4	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	807	212	1,019
5	1	3	C 4	Medi-Cal Inpatient Days—Nursery—Noncontract	355	164	519
6	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	1,506	342	1,848
7	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 72,838,882	\$ 16,637,674	\$ 89,476,556
8	2	4	A 1	Depreciation Expense	\$ 7,160,074	\$ (59,015)	\$ 7,101,059
9	2	4	A 4	Property Taxes and License Fees	\$ 645,930	\$ 31,707	\$ 677,637
10	2	4	B	Gross Operating Expenses	\$ 202,966,667	\$ (13,291,544)	\$ 189,675,123

Provider Name				Fiscal Period		NPI	Adjustments
SAN JOAQUIN COMMUNITY HOSPITAL				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1538157508	26
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<u>ADJUSTMENTS TO PIRL SCHEDULES</u>							
11	2	4	F 1	Direct Operating—Salaries and Wages	\$ 83,747,547	\$ (6,603,992)	\$ 77,143,555
12	2	4	F 2	Direct Operating—Employee Benefits	\$ 21,657,805	\$ 6,603,992	\$ 28,261,797
13	2	4	F 4	Direct Operating—Purchased Services	\$ 21,758,464	\$ 13,660	\$ 21,772,124
14	2	4	F 5	Direct Operating—Supplies	\$ 35,265,543	\$ 13,648	\$ 35,279,191
15	3	5	A 1 a	Management and Supervision—Productive Salaries	\$ 8,992,161	\$ (481,687)	\$ 8,510,474
	3	5	A 1 b	Management and Supervision—Productive Hours	182,624	(14,007)	168,617
16	3	5	A 2 a	Technicians and Specialists—Productive Salaries	\$ 14,334,947	\$ 45,128	\$ 14,380,075
	3	5	A 2 b	Technicians and Specialists—Productive Hours	468,984	2,601	471,585
17	3	5	A 3 a	Registered Nurses—Productive Salaries	\$ 35,935,182	\$ (416,050)	\$ 35,519,132
	3	5	A 3 b	Registered Nurses—Productive Hours	790,350	(5,259)	785,091
18	3	5	A 4 a	Licensed Vocational Nurses—Productive Salaries	\$ 779,756	\$ (160,862)	\$ 618,894
	3	5	A 4 b	Licensed Vocational Nurses—Productive Hours	28,101	(6,056)	22,045
19	3	5	A 5 a	Aides and Orderlies—Productive Salaries	\$ 4,893,111	\$ (63)	\$ 4,893,048
	3	5	A 5 b	Aides and Orderlies—Productive Hours	318,850	(942)	317,908

Provider Name				Fiscal Period		NPI	Adjustments
SAN JOAQUIN COMMUNITY HOSPITAL				JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		1538157508	26
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					
<u>ADJUSTMENTS TO PIRL SCHEDULES</u>							
20	3	5	A 8 a	Environmental and Food Services—Productive Salaries	\$ 1,157,268	\$ 7,656	\$ 1,164,924
	3	5	A 8 b	Environmental and Food Services—Productive Hours	93,503	289	93,792
21	3	5	A 9 a	Clerical and Other Administrative—Productive Salaries	\$ 6,016,758	\$ (188,479)	\$ 5,828,279
	3	5	A 9 b	Clerical and Other Administrative—Productive Hours	350,932	(9,582)	341,350
22	3	5	A 11	Nonproductive Salaries and Wages	\$ 13,138,321	\$ (281,600)	\$ 12,856,721
	3	5	A 11	Nonproductive Hours	483,351	(8,474)	474,877
23	3	5	B 1	Subtotal Productive Salaries	\$ 72,109,183	\$ (1,194,357)	\$ 70,914,826
24	3	5	B 2	Subtotal Productive Hours	2,233,344	(32,956)	2,200,388
25	3	5	C	Total Productive and Nonproductive Salaries	\$ 85,247,504	\$ (1,475,957)	\$ 83,771,547
26	3	5	D	Total Productive and Nonproductive Hours	2,716,695	(41,430)	2,675,265
<p>To adjust the Peer Grouping Inpatient Reimbursement Limitation Schedules to agree with audit adjustments and/or provider records. CCR, Title 22, Sections 51545 through 51556.</p>							