

**APPEAL RECOMPUTATION  
OF THE  
RATE DEVELOPMENT WORKSHEETS**

**SUTTER MEDICAL CENTER OF SANTA ROSA  
SANTA ROSA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER(NPI): 1700855756**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2009**

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

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October 17, 2012

Wade H. Jaeger  
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In the Matter of:

SUTTER MEDICAL CENTER OF SANTA ROSA  
NATIONAL PROVIDER IDENTIFIER (NPI) 1700855756  
FISCAL PERIOD ENDED DECEMBER 31, 2009  
CASE NO. RD12-1209-847B-CH

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated June 26, 2012, from the informal appeal hearing, the following revision is made to the Medi-Cal Rate Development Worksheets audit report dated January 10, 2012.

SUMMARY OF REVISIONS

MEDI-CAL NET COST OF COVERED SERVICES

As Audited	\$	20,283,527
Revision		<u>81,745</u>
As Revised	\$	<u><u>20,365,272</u></u>

Enclosed is the revised Rate Development Worksheets and supporting schedules detailing the results of the recomputation.

The results of this recomputation may be used to determine the Medi-Cal Peer Group Inpatient Reimbursement Limitation (PIRL) rate calculations.

This will be determined by the Department's Rate Development Branch 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).

Wade H. Jaeger  
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If you have any questions in regarding this report, you may call the Audits Section-  
Richmond at (510) 620-3100.

Original Signed by

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Certified

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**REVISED ADJUSTMENTS**

Provider: SUTTER MEDICAL CENTER OF SANTA ROSA				Provider NPI 1700855756	Fiscal Period: JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	No. of Rev: 1	
Report Reference				Explanation of Revision	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
<b><u>REVISIONS TO RATE DEVELOPMENT WORKSHEETS</u></b>							
1	DHS 3094	1	A	Medi-Cal Net Cost of Covered Services - Noncontract	\$ 20,283,527	\$ 81,745	\$ 20,365,272
	DHS 3094	1	A	Medi-Cal Net Cost of Covered Services - Contract	\$	\$	\$
	DHS 3094	1	B	Deductibles and Coinsurance - Noncontract	\$ 476,364	\$ 0	\$ 476,364
	DHS 3094	1	B	Deductibles and Coinsurance - Contract	\$	\$	\$
	DHS 3094	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract	4,458	0	4,458
	DHS 3094	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Contract			
	DHS 3094	1	C-2	Medi-Cal Inpatient Days - ICU - Noncontract	438	0	438
	DHS 3094	1	C-2	Medi-Cal Inpatient Days - ICU - Contract			
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - CCU - Noncontract			
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - CCU - Contract			
	DHS 3094	1	C-4	Medi-Cal Inpatient Days - Nursery - Noncontract	1,744	0	1,744
	DHS 3094	1	C-4	Medi-Cal Inpatient Days - Nursery - Contract			
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - NICU - Noncontract	1,129	0	1,129
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - NICU - Contract			
	DHS 3094	1	C-6a	Medi-Cal Inpatient Days - _____ Noncontract			
	DHS 3094	1	C-6a	Medi-Cal Inpatient Days - _____ Contract			

**REVISED ADJUSTMENTS**

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	DHS 3094	1	C-6b	Medi-Cal Inpatient Days - _____ Noncontract			
	DHS 3094	1	C-6b	Medi-Cal Inpatient Days - _____ Contract			
	DHS 3094	1	D	Total Hospital Discharges	5,427	0	5,427
	DHS 3094	1	E	Total Medi-Cal Discharges - Acute - Noncontract	1,561	0	1,559
	DHS 3094	1	E	Total Medi-Cal Discharges - Acute - Contract			
	DHS 3094	1	F	Total Medi-Cal Inpatient Charges - Noncontract	\$ 56,780,673	\$ 0	\$ 56,780,673
	DHS 3094	1	F	Total Medi-Cal Inpatient Charges - Contract	\$	\$	\$
	DHS 3094	2	A-1	Depreciation Expense	\$ 4,016,690	\$ 0	\$ 4,016,690
	DHS 3094	2	A-2	Rent and Lease Expense	\$ 412,473	\$ 0	\$ 412,473
	DHS 3094	2	A-3	Interest Expense	\$ 1,064,223	\$ 0	\$ 1,064,223
	DHS 3094	2	A-4	Property Taxes and License Fees	\$ 322,156	\$ 0	\$ 322,156
	DHS 3094	2	A-5	Utility Expenses	\$ 1,585,267	\$ 0	\$ 1,585,267
	DHS 3094	2	A-6	Malpractice Insurance Expense	\$ 1,216,545	\$ 0	\$ 1,216,545
	DHS 3094	2	B	Gross Operating Expenses	\$ 143,788,142	\$ 0	\$ 143,788,142
	DHS 3094	2	C-1	Student and Physician Salaries	\$ 2,644,636	\$ 0	\$ 2,644,636

**REVISED ADJUSTMENTS**

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Report Reference				Explanation of Revision	Audited	Increase (Decrease)	Revised
Rev. No.	Form	Page	Line				
	DHS 3094	2	C-2	Professional Fees	\$ 14,165,597	\$ 0	\$ 14,165,597
	DHS 3094	2	D	Pharmacy Nonlabor Expense	\$ 3,850,665	\$ 0	\$ 3,850,665
	DHS 3094	2	E	Food Services Nonlabor Expense	\$ 546,448	\$ 0	\$ 546,448
	DHS 3094	2	F-1	Direct Operating - Salaries and Wages	\$ 57,298,445	\$ 0	\$ 57,298,445
	DHS 3094	2	F-2	Direct Operating - Employee Benefits	\$ 16,665,288	\$ 0	\$ 16,665,288
	DHS 3094	2	F-3	Direct Operating - Other Professional Fees	\$ 2,217,402	\$ 0	\$ 2,217,402
	DHS 3094	2	F-4	Direct Operating - Purchased Services	\$ 13,755,744	\$ 0	\$ 13,755,744
	DHS 3094	2	F-5	Direct Operating - Supplies	\$ 19,653,862	\$ 0	\$ 19,653,862
	DHS 3094	2	F-6	Other Direct Operating Expense	\$ 4,372,701	\$ 0	\$ 4,372,701
	DHS 3094	3	A-1-a	Productive Salaries - Management and Supervision	\$ 5,889,111	\$ 0	\$ 5,889,111
	DHS 3094	3	A-1-b	Productive Hours	97,217	0	97,217
	DHS 3094	3	A-2-a	Productive Salaries - Technicians and Specialists	\$ 10,478,816	\$ 0	\$ 10,478,816
	DHS 3094	3	A-2-b	Productive Hours	240,499	0	240,499
	DHS 3094	3	A-3-a	Productive Salaries - Registered Nurses	\$ 25,973,439	\$ 0	\$ 25,973,439
	DHS 3094	3	A-3-b	Productive Hours	424,777	0	424,777

**REVISED ADJUSTMENTS**

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	DHS 3094	3	A-4-a	Productive Salaries - Licensed Vocational Nurses	\$ 150,697	\$ 0	\$ 150,697
	DHS 3094	3	A-4-b	Productive Hours	4,959	0	4,959
	DHS 3094	3	A-5-a	Productive Salaries - Aides and Orderlies	\$ 1,811,070	\$ 0	\$ 1,811,070
	DHS 3094	3	A-5-b	Productive Hours	66,186	0	66,186
	DHS 3094	3	A-6-a	Productive Salaries - Physicians (Salaried)	\$ 49,418	\$ 0	\$ 49,418
	DHS 3094	3	A-6-b	Productive Hours	919	0	919
	DHS 3094	3	A-7-a	Productive Salaries - Nonphysician Medical Practitioners	\$ 24,187	\$ 0	\$ 24,187
	DHS 3094	3	A-7-b	Productive Hours	463	0	463
	DHS 3094	3	A-8-a	Productive Salaries - Environmental and Food Services	\$ 2,533,293	\$ 0	\$ 2,533,293
	DHS 3094	3	A-8-b	Productive Hours	103,818	0	103,818
	DHS 3094	3	A-9-a	Productive Salaries - Clerical and Other Administrative	\$ 4,151,336	\$ 0	\$ 4,151,336
	DHS 3094	3	A-9-b	Productive Hours	179,470	0	179,470
	DHS 3094	3	A-10-a	Productive Salaries - Other	\$ 2,232,009	\$ 0	\$ 2,232,009
	DHS 3094	3	A-10-b	Productive Hours	88,346	0	88,346

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Rev. No.	Form	Page	Line				
	N/A	N/A	A-11-a	Nonproductive Salaries	\$ 6,746,889	\$ 0	\$ 6,746,889
	N/A	N/A	A-11-b	Nonproductive Hours	152,898	0	152,898
	N/A	N/A	B 1	Subtotal Productive Salaries	\$ 53,293,376	\$ 0	\$ 53,293,376
	N/A	N/A	B 2	Subtotal Productive Hours	1,206,653	0	1,206,653
	N/A	N/A	C	Total Productive and Nonproductive Salaries	\$ 60,040,264	\$ 0	\$ 60,040,264
	N/A	N/A	D	Total Productive and Nonproductive Hours	1,359,552	0	1,359,552

To revise the Rate Development Worksheets to agree with the Report of Findings dated June 26, 2012, Issue Number 3, Case No. RD12-1209-847B-CH.