

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

**VISTA HOSPITAL OF SOUTH BAY
GARDENA, CALIFORNIA
PROVIDER NUMBER: HSP30456I
NATIONAL PROVIDER IDENTIFIER: 1619061660**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Minh Nguyen**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 20, 2013

Vartan Hovsepien
Senior Vice President and Chief Financial Officer
Vista Healthcare, LLC
801 South Chevy Chase, Suite #30
Glendale, CA 91205

VISTA HOSPITAL OF SOUTH BAY
PROVIDER NUMBER: HSP30456I
NATIONAL PROVIDER IDENTIFIER (NPI): 1619061660
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 limited review.

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.

Vartan Hovsepian
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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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME VISTA HOSPITAL OF SOUTH BAY
NPI 1619061660
FISCAL PERIOD JANUARY 1, 2009 THROUGH DECEMBER 31, 2009
CONTRACT PERIOD N/A

	NONCONTRACT Cost Services		Medi-Cal For Contract Services		Medi-Cal Total For Fiscal Period
<u>ACUTE CARE ONLY*</u>					
A. Medi-Cal Net Cost of Covered** Services Plus Hospital-Based Physician Costs, Excluding Return on Equity (Schedule 1, Line 1) (Adj 1)	\$ 664,444		\$		\$ 664,444
B. Deductibles and Coinsurance (Third Party Liability) (Schedule 3, Lines 9 and 10) (Adj)	\$ 7,384		\$		\$ 7,384
C. Medi-Cal Inpatient Days (Adjs 2, 3) (Schedules 4 and 4A)					
1. Routine (Adults and Pediatrics)	77				77
2. ICU	237				237
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a. PICU					
b.					
D. Total Hospital Discharges *** (Adj)	N/A		N/A		888
E. Total Medi-Cal Discharges*** (Adj 5)		7			7
F. Total Medi-Cal Inpatient Charges (Schedules 2, Line 4) (Adj 4)	\$ 3,157,798		\$		\$ 3,157,798

* Data for NF or Administrative Days are not included.

** The Audited Net Cost of Covered Services is Net of Deductibles and Coinsurance and is from a source different than used on the filed report.

*** Data for newborns that were born in the hospital are not included.

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	VISTA HOSPITAL OF SOUTH BAY
NPI	1619061660
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)	8810 - 8813, and/or .71, .72, .73 and .74	\$	858,443
2. Rent and Lease Expense: (Adj)	8820-8822, and/or .75 and .76	\$	1,767,766
3. Interest Expense: (Adj)	8860, 8870	\$	124,165
4. Property Taxes and License Fees: (Adj)	8850 and/or .83	\$	252,523
5. Utility Expense: (Adj)	.77, .78, .79, and .80	\$	279,375
6. Malpractice Insurance Expense: (Adj)	8830 and/or .81	\$	137,499
B. GROSS OPERATING EXPENSES (Adj 6)	Sch 10, line 101, col. 3	\$	33,376,033
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits) (Adj)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees (Adj)	.20	\$	1,324,789
D. PHARMACY NONLABOR EXPENSE (Adj)	8390.37 and 8390.38	\$	1,956,129
E. FOOD SERVICES NONLABOR EXPENSE (Adj)	8320, 8330 and 8340 and/or .42 and .43	\$	279,255
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	17,822,147
2. Employee Benefits	.10 - .19, .92, .96	\$	3,185,214
3. Other Professional Fees	.21 - .29	\$	5,688,206
4. Purchased Services	.61 - .69	\$	2,114,579
5. Supplies	.31 - .36, .39 - .41 .44 - .50, .93, .97	\$	2,471,990

RATE DEVELOPMENT SCHEDULES

PROVIDER NAME	VISTA HOSPITAL OF SOUTH BAY
NPI	1619061660
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)			
a. Productive Salaries	.00	\$	2,931,070
b. Productive Hours			66,509.00
2. Technicians and Specialists (Adj)			
a. Productive Salaries	.01	\$	4,376,566
b. Productive Hours			190,700.00
3. Registered Nurses (Adj)			
a. Productive Salaries	.02	\$	5,303,109
b. Productive Hours			133,110.00
4. Licensed Vocational Nurses (Adj)			
a. Productive Salaries	.03	\$	1,813,156
b. Productive Hours			81,563.00
5. Aides and Orderlies (Adj)			
a. Productive Salaries	.04	\$	1,193,825
b. Productive Hours			89,829.00
6. Physicians (Salaried) (Adj)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners (Adj)			
a. Productive Salaries	.08	\$	
b. Productive Hours			
8. Environmental and Food Services (Adj)			
a. Productive Salaries	.06	\$	761,230
b. Productive Hours			76,352.00
9. Clerical and Other Administrative (Adj)			
a. Productive Salaries	.05	\$	1,418,901
b. Productive Hours			95,228.00
10. Other Salaries and Wages (Adj)			
a. Productive Salaries	.09	\$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages (Adj)			
a. Nonproductive Salaries	Labor Distribution	\$	787,618
b. Nonproductive Hours	Report or Provider W/P		50,007.00
B. SUBTOTAL DIRECT PAYROLL COST			
1. Productive Salaries (lines A1a - A10a)		\$	17,797,857
2. Productive Hours (lines A1b - A10b)			<u>733,291.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (A11a + B1)		\$	<u>18,585,475</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (A11b + B2)			<u>783,298.00</u>

Provider Name VISTA HOSPITAL OF SOUTH BAY				Fiscal Period JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		NPI 1619061660	Adjustments 6
Report References				Explanation of Audit Adjustments	Reported	Increase (Decrease)	Adjusted
Adj. No.	Audit Report Page	RD Schedule Page Line					

ADJUSTMENTS TO RATE DEVELOPMENT SCHEDULES

1	1	3	A	Medi-Cal Net Cost of Covered Services—Noncontract	\$ 342,834	\$ 321,610	\$ 664,444
2	1	3	C 1	Medi-Cal Inpatient Days—Adults and Pediatrics—Noncontract	18	59	77
3	1	3	C 2	Medi-Cal Inpatient Days—ICU—Noncontract	184	53	237
4	1	3	F	Total Medi-Cal Inpatient Charges—Noncontract	\$ 891,509	\$ 2,266,289	\$ 3,157,798
5	1	3	E	Total Medi-Cal Discharges—Acute—Noncontract	10	(3)	7
6	2	4	B	Gross Operating Expenses	\$ 38,430,068	\$ (5,054,035)	\$ 33,376,033

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