

**REPORT
ON THE
HOME OFFICE AUDIT**

**JOHN MUIR / MT. DIABLO HEALTH SYSTEM
WALNUT CREEK, CALIFORNIA
PROVIDER NUMBER: ACUHO0026**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Section Chief: Louise Wong
Audit Supervisor: Diana Dong
Auditors: Laurie Plancarte and Keyuan Cao**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 25, 2011

George Fan
Reimbursement Manager
John Muir / Mt. Diablo Health System
1340 Treat Boulevard, Suite 350
Walnut Creek, CA 94596-2142

JOHN MUIR / MT. DIABLO HEALTH SYSTEM
FISCAL PERIOD ENDED DECEMBER 31, 2008

We have examined the Medi-Cal Home Office cost report for the fiscal period ended December 31, 2008. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Summary of Audited Home Office Costs to Health Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This Audit Report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

George Fan
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If you have further 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

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SUMMARY OF AUDITED HOME OFFICE CAPITAL AND NONCAPITAL RELATED COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEMFISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		CAPITAL RELATED (SCHEDULE 3) 1	NONCAPITAL RELATED (SCHEDULE 3-1) 2	TOTAL AUDITED H.O. COSTS (COLUMN 1 + 2) 3	
		FROM	TO				
<u>HEALTH CARE FACILITIES</u>							
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	01/01/08	12/31/08	\$4,594,695	\$61,967,866	\$66,562,561
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	01/01/08	12/31/08	2,068,804	27,892,929	29,961,733
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	01/01/08	12/31/08	196,757	2,530,792	2,727,549
4.	BRENTWOOD	ZZR00180F	01/01/08	12/31/08	0	582,454	582,454
SUBTOTAL (LINES 1 THROUGH 4)					\$6,860,255	\$92,974,041	\$99,834,296
<u>OTHER COMPONENTS</u>							
5.	JOHN MUIR HEALTH NETWORK		01/01/08	12/31/08	\$826,223	\$6,154,160	\$6,980,383
6.	BENEFIT CORP		01/01/08	12/31/08	19,229	50,298	69,527
7.	FOUNDATION		01/01/08	12/31/08	25,080	65,603	90,683
8.	SIERRA SURGERY CENTER		01/01/08	12/31/08	17,431	45,594	63,025
9.	DV SURGERY CENTER		01/01/08	12/31/08	128,771	336,826	465,597
10.	MD MRI		01/01/08	12/31/08	30,625	80,105	110,730
11.	JM MRI		01/01/08	12/31/08	31,291	81,849	113,140
12.	HOUSING FITNESS CENTER		01/01/08	12/31/08	0	0	0
13.	NEUROSCAN		01/01/08	12/31/08	80,952	211,747	292,699
14.	OTHER MANAGED FACILITY		01/01/08	12/31/08	104,950	274,518	379,467
SUBTOTAL (LINES 5 THROUGH 14)					\$1,264,552	\$7,300,700	\$8,565,252
GRAND TOTAL					\$8,124,807	\$100,274,741	\$108,399,548

COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		REPORTED HOME OFFICE COSTS (SCH. 9)	AUDITED H.O. COSTS (SCH. 3 & 3-1)	VARIANCE (COLUMN 2-1)
		FROM	TO	1	2	3
<u>HEALTH CARE FACILITIES</u>						
1. JOHN MUIR MEDICAL CENTER	ZZR00180F	01/01/08	12/31/08	\$90,537,044	\$66,562,561	(\$23,974,483)
2. JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	01/01/08	12/31/08	41,397,354	29,961,733	(11,435,621)
3. JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	01/01/08	12/31/08	3,853,855	2,727,549	(1,126,306)
4. BRENTWOOD	ZZR00180F	01/01/08	12/31/08	582,454	582,454	0
SUBTOTAL (LINES 1 THROUGH 4)				\$136,370,707	\$99,834,297	(\$36,536,410)
<u>OTHER COMPONENTS</u>						
5. JOHN MUIR HEALTH NETWORK		01/01/08	12/31/08	\$9,017,056	\$6,980,383	(\$2,036,673)
6. BENEFIT CORP		01/01/08	12/31/08	49,601	69,527	19,926
7. FOUNDATION		01/01/08	12/31/08	64,691	90,683	25,992
8. SIERRA SURGERY CENTER		01/01/08	12/31/08	44,961	63,025	18,064
9. DV SURGERY CENTER		01/01/08	12/31/08	332,145	465,597	133,452
10. MD MRI		01/01/08	12/31/08	78,993	110,730	31,737
11. JM MRI		01/01/08	12/31/08	80,710	113,140	32,430
12. HOUSING FITNESS CENTER		01/01/08	12/31/08	0	0	0
13. NEUROSCAN		01/01/08	12/31/08	208,804	292,699	83,895
14. OTHER MANAGED FACILITY		01/01/08	12/31/08	0	379,467	379,467
SUBTOTAL (LINES 5 THROUGH 14)				\$9,876,961	\$8,565,252	(\$1,311,710)
GRAND TOTAL				\$146,247,668	\$108,399,548	(\$37,848,120)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEMFISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT CAPITAL COSTS (SCHEDULE 7) 1	FUNCTIONAL CAPITAL COSTS 2	POOLED CAPITAL COSTS (SCHEDULE 4) 3	TOTAL CAPITAL COSTS (COL. 1 TO 3)	
		FROM	TO					
<u>HEALTH CARE FACILITIES</u>								
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	01/01/08	12/31/08	\$0	\$0	\$4,594,695	\$4,594,695
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	01/01/08	12/31/08	0	0	2,068,804	2,068,804
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	01/01/08	12/31/08	0	0	196,757	196,757
4.	BRENTWOOD	ZZR00180F	01/01/08	12/31/08	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 4)					\$0	\$0	\$6,860,255	\$6,860,255
<u>OTHER COMPONENTS</u>								
5.	JOHN MUIR HEALTH NETWORK		01/01/08	12/31/08	\$0	\$0	\$826,223	\$826,223
6.	BENEFIT CORP		01/01/08	12/31/08	0	0	19,229	19,229
7.	FOUNDATION		01/01/08	12/31/08	0	0	25,080	25,080
8.	SIERRA SURGERY CENTER		01/01/08	12/31/08	0	0	17,431	17,431
9.	DV SURGERY CENTER		01/01/08	12/31/08	0	0	128,771	128,771
10.	MD MRI		01/01/08	12/31/08	0	0	30,625	30,625
11.	JM MRI		01/01/08	12/31/08	0	0	31,291	31,291
12.	HOUSING FITNESS CENTER		01/01/08	12/31/08	0	0	0	0
13.	NEUROSCAN		01/01/08	12/31/08	0	0	80,952	80,952
14.	OTHER MANAGED FACILITY		01/01/08	12/31/08	0	0	104,950	104,950
SUBTOTAL (LINES 5 THROUGH 14)					\$0	\$0	\$1,264,552	\$1,264,552
GRAND TOTAL					\$0	\$0	\$8,124,807	\$8,124,807

(To Schedule 1 & 2)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT COSTS (SCH. 7-1) 1	FUNCTIONAL COSTS (SCH. 5-1) 2	POOLED COSTS (SCH. 4) 3	TOTAL NONCAPITAL COSTS (COL. 1 TO 3)	
		FROM	TO					
HEALTH CARE FACILITIES								
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	01/01/08	12/31/08	\$10,661,119	\$39,288,362	\$12,018,385	\$61,967,866
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	01/01/08	12/31/08	5,158,753	17,322,788	5,411,388	27,892,929
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	01/01/08	12/31/08	974,791	1,041,342	514,659	2,530,792
4.	BRENTWOOD	ZZR00180F	01/01/08	12/31/08	582,454	0	0	582,454
SUBTOTAL (LINES 1 THROUGH 4)					\$17,377,117	\$57,652,492	\$17,944,432	\$92,974,041

OTHER COMPONENTS								
5.	JOHN MUIR HEALTH NETWORK		01/01/08	12/31/08	\$0	\$3,993,001	\$2,161,159	\$6,154,160
6.	BENEFIT CORP		01/01/08	12/31/08	0	0	50,298	50,298
7.	FOUNDATION		01/01/08	12/31/08	0	0	65,603	65,603
8.	SIERRA SURGERY CENTER		01/01/08	12/31/08	0	0	45,594	45,594
9.	DV SURGERY CENTER		01/01/08	12/31/08	0	0	336,826	336,826
10.	MD MRI		01/01/08	12/31/08	0	0	80,105	80,105
11.	JM MRI		01/01/08	12/31/08	0	0	81,849	81,849
12.	HOUSING FITNESS CENTER		01/01/08	12/31/08	0	0	0	0
13.	NEUROSCAN		01/01/08	12/31/08	0	0	211,747	211,747
14.	OTHER MANAGED FACILITY		01/01/08	12/31/08	0	0	274,518	274,518
SUBTOTAL (LINES 5 THROUGH 14)					\$0	\$3,993,001	\$3,307,699	\$7,300,700
GRAND TOTAL					\$17,377,117	\$61,645,493	\$21,252,131	\$100,274,741

(To Schedule 1 & 2)

POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEMFISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (SCH. 8) 2	NONCAPITAL (SCH. 8) 3	TOTAL POOLED (COL. 2 + 3) 4	
HEALTH CARE FACILITIES						
		(Adj. 11)				
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	\$523,765,000	\$4,594,695	\$12,018,385	\$16,613,080
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	235,830,000	2,068,804	5,411,388	7,480,192
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	22,429,000	196,757	514,659	711,416
4.	BRENTWOOD	ZZR00180F	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 4)			\$782,024,000	\$6,860,255	\$17,944,432	\$24,804,688
OTHER COMPONENTS						
5.	JOHN MUIR HEALTH NETWORK		\$94,184,000	\$826,223	\$2,161,159	\$2,987,382
6.	BENEFIT CORP		2,192,000	19,229	50,298	69,527
7.	FOUNDATION		2,859,000	25,080	65,603	90,683
8.	SIERRA SURGERY CENTER		1,987,000	17,431	45,594	63,025
9.	DV SURGERY CENTER		14,679,000	128,771	336,826	465,597
10.	MD MRI		3,491,000	30,625	80,105	110,730
11.	JM MRI		3,567,000	31,291	81,849	113,140
12.	HOUSING FITNESS CENTER		0	0	0	0
13.	NEUROSCAN		9,228,000	80,952	211,747	292,699
14.	OTHER MANAGED FACILITY		11,963,561	104,950	274,518	379,467
SUBTOTAL (LINES 5 THROUGH 14)			\$144,150,561	\$1,264,552	\$3,307,699	\$4,572,251
GRAND TOTAL			\$926,174,561	\$8,124,807	\$21,252,131	\$29,376,938
(To Schedule 3)(To Schedule 3-1)						
MULTIPLIER				0.008772	0.022946	

**FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN
COMPONENTS - NONCAPITAL RELATED**

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	Functional Allocation - Systemwide 34.02	Functional Allocation - Other Services 34.03	Functional Allocation - JMMC & MDMC 34.04	Functional Allocation - Support 34.05	Support Svcs - MDMC 34.07	Functional Allocation - Muir Lab 34.13	Functional Allocation - Education 34.14	AUDITED TOTAL NONCAPITAL	
HEALTH CARE FACILITIES										
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	\$18,779,035	\$5,538,512	\$4,666,050	\$3,426,375	\$4,970,011	\$1,908,380	\$0	\$39,288,362
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	8,455,433	2,493,766	2,100,932	1,542,757	2,729,900	0	0	17,322,788
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	804,168	237,174	0	0	0	0	0	1,041,342
4.	BRENTWOOD	ZZR00180F	0	0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 4)			\$28,038,636	\$8,269,451	\$6,766,982	\$4,969,132	\$7,699,911	\$1,908,380	\$0	\$57,652,492
OTHER COMPONENTS										
5.	JOHN MUIR HEALTH NETWORK		\$3,376,867	\$0	\$0	\$616,134	\$0	\$0	\$0	\$3,993,001
6.	BENEFIT CORP		0	0	0	0	0	0	0	0
7.	FOUNDATION		0	0	0	0	0	0	0	0
8.	SIERRA SURGERY CENTER		0	0	0	0	0	0	0	0
9.	DV SURGERY CENTER		0	0	0	0	0	0	0	0
10.	MD MRI		0	0	0	0	0	0	0	0
11.	JM MRI		0	0	0	0	0	0	0	0
12.	HOUSING FITNESS CENTER		0	0	0	0	0	0	0	0
13.	NEUROSCAN		0	0	0	0	0	0	0	0
14.	OTHER MANAGED FACILITY		0	0	0	0	0	0	0	0
SUBTOTAL (LINES 5 THROUGH 14)			\$3,376,867	\$0	\$0	\$616,134	\$0	\$0	\$0	\$3,993,001
GRAND TOTAL			\$31,415,503	\$8,269,451	\$6,766,982	\$5,585,266	\$7,699,911	\$1,908,380	\$0	\$61,645,493

(To Schedule 3-1)

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN
COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	Functional Allocation - (Adjusted Exp) 34.02	Functional Allocation - (Adjusted Exp) 34.03	Functional Allocation - (Adjusted Exp) 34.04	Functional Allocation - (Adjusted Exp) 34.05	Functional Allocation - (Patient Rev) 34.06	Functional Allocation - (Patient Rev) 34.07	Functional Allocation - (Salary Exp) 34.08	Functional Allocation - Muir (Patient Rev) 34.13	Functional Allocation - (Adjusted Exp) 34.14	
HEALTH CARE FACILITIES											
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	523,765,000	523,765,000	523,765,000	523,765,000	2,424,001	2,424,001	240,088,000	2,424,001	523,765,000
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	235,830,000	235,830,000	235,830,000	235,830,000	1,331,442	1,331,442	115,885,000	0	235,830,000
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	22,429,000	22,429,000	0	0	59,068	0	12,789,000	0	0
4.	BRENTWOOD	ZZR00180F	0	0	0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 4)			782,024,000	782,024,000	759,595,000	759,595,000	3,814,511	3,755,443	368,762,000	2,424,001	759,595,000
OTHER COMPONENTS											
5.	JOHN MUIR HEALTH NETWORK		94,184,000	0	0	94,184,000	60,660	0	25,093,000	0	94,184,000
6.	BENEFIT CORP		0	0	0	0	0	0	0	0	0
7.	FOUNDATION		0	0	0	0	0	0	0	0	0
8.	SIERRA SURGERY CENTER		0	0	0	0	0	0	0	0	0
9.	DV SURGERY CENTER		0	0	0	0	0	0	0	0	0
10.	MD MRI		0	0	0	0	0	0	0	0	0
11.	JM MRI		0	0	0	0	0	0	0	0	0
12.	HOUSING FITNESS CENTER		0	0	0	0	0	0	0	0	0
13.	NEUROSCAN		0	0	0	0	0	0	0	0	0
14.	OTHER MANAGED FACILITY		0	0	0	0	0	0	0	0	0
SUBTOTAL (LINES 5 THROUGH 14)			94,184,000	0	0	94,184,000	60,660	0	25,093,000	0	94,184,000
GRAND TOTAL			876,208,000	782,024,000	759,595,000	853,779,000	3,875,171	3,755,443	393,855,000	2,424,001	853,779,000
TOTAL STATISTICS			876,208,000	782,024,000	759,595,000	853,779,000	3,875,171	3,755,443	393,855,000	2,424,001	853,779,000
COST TO BE ALLOCATED (FROM SCHEDULE 8)			\$31,415,503	\$8,269,451	\$6,766,982	\$5,585,266	\$4,148,740	\$7,699,911	\$33,783,461	\$1,908,380	\$0
UNIT COST MULTIPLIER			0.035854	0.010574	0.008909	0.006542	1.070595	2.050334	0.085776	0.787285	0.000000

DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

<u>HEALTH CARE FACILITIES</u>	MEDI-CAL NUMBER	REPORTED TOTAL (SCH. E)	John Muir Medical Center					AUDITED TOTAL
			(Adj. 10)					
1. JOHN MUIR MEDICAL CENTER	ZZR00180F	\$281,585	(\$281,585)	\$0	\$0	\$0	\$0	\$0
2. JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	0	0	0	0	0	0	0
3. JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	0	0	0	0	0	0	0
4. BRENTWOOD	ZZR00180F	0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 4)		\$281,585	(\$281,585)	\$0	\$0	\$0	\$0	\$0
<u>OTHER COMPONENTS</u>								
5. JOHN MUIR HEALTH NETWORK		\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. BENEFIT CORP		0	0	0	0	0	0	0
7. FOUNDATION		0	0	0	0	0	0	0
8. SIERRA SURGERY CENTER		0	0	0	0	0	0	0
9. DV SURGERY CENTER		0	0	0	0	0	0	0
10. MD MRI		0	0	0	0	0	0	0
11. JM MRI		0	0	0	0	0	0	0
12. HOUSING FITNESS CENTER		0	0	0	0	0	0	0
13. NEUROSCAN		0	0	0	0	0	0	0
14. OTHER MANAGED FACILITY		0	0	0	0	0	0	0
SUBTOTAL (LINES 5 THROUGH 14)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL		\$281,585	(\$281,585)	\$0	\$0	\$0	\$0	\$0

(To Schedule 3)

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

<u>HEALTH CARE FACILITIES</u>		MEDI-CAL NUMBER	REPORTED TOTAL (SCH. E-1)	Funct Alloc Other Svcs 34.03 (Adj. 9)							AUDITED TOTAL
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	\$11,009,895	(\$348,776)	\$0	\$0	\$0	\$0	\$0	\$0	\$10,661,119
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	5,158,753	0	0	0	0	0	0	0	5,158,753
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131F	974,791	0	0	0	0	0	0	0	974,791
4.	BRENTWOOD	ZZR00180F	582,454	0	0	0	0	0	0	0	582,454
SUBTOTAL (LINES 1 THROUGH 4)			\$17,725,893	(\$348,776)	\$0	\$0	\$0	\$0	\$0	\$0	\$17,377,117
<u>OTHER COMPONENTS</u>											
5.	JOHN MUIR HEALTH NETWORK		0	0	0	0	0	0	0	0	0
6.	BENEFIT CORP		0	0	0	0	0	0	0	0	0
7.	FOUNDATION		0	0	0	0	0	0	0	0	0
8.	SIERRA SURGERY CENTER		0	0	0	0	0	0	0	0	0
9.	DV SURGERY CENTER		0	0	0	0	0	0	0	0	0
10.	MD MRI		0	0	0	0	0	0	0	0	0
11.	JM MRI		0	0	0	0	0	0	0	0	0
12.	HOUSING FITNESS CENTER		0	0	0	0	0	0	0	0	0
13.	NEUROSCAN		0	0	0	0	0	0	0	0	0
14.	OTHER MANAGED FACILITY		0	0	0	0	0	0	0	0	0
SUBTOTAL (LINES 5 THROUGH 14)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$17,725,893	(\$348,776)	\$0	\$0	\$0	\$0	\$0	\$0	\$17,377,117

(To Schedule 3-1)

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

LINE NO.	COST CENTER DESCRIPTION	REPORTED POOLED ALLOC. (SCH. B, COL 8)	ADJ. NOS.	ADJUSTMENT AMOUNTS	AUDITED POOLED COSTS
CAPITAL-RELATED COSTS - OLD					
1.00	Old Capital Related - Buildings and Fixtures	\$0		\$0	\$0
2.00	Old Capital Related - Movable Equipment	0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	\$0		\$0	\$0
CAPITAL-RELATED COSTS - NEW					
4.00	New Capital Related - Buildings and Fixtures	\$1,987,647	3, 6, 8	\$319,281	\$2,306,928
5.00	New Capital Related - Movable Equipment	5,779,493	3, 4	38,386	5,817,879
6.00	SUBTOTAL (sum of lines 4 through 5.01)	\$7,767,140		\$357,667	\$8,124,807
OTHER CAPITAL-RELATED COSTS					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	\$0		\$0	\$0
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries and Wages of Others	6,363,416	1, 2, 3, 4	4,173,420	10,536,836
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits - Payroll Related	18,097		0	18,097
15.00	Employee Benefits - Nonpayroll Related	968,908		0	968,908
16.00	Profit Sharing / Pension Plans	0		0	0
17.00	Legal Fees	400,585	3	13,027	413,612
18.00	Auditing and Accounting Fees	13,404		0	13,404
19.00	Utilities	11,549	3	678,609	690,158
20.00	Communications	49,583	1, 3, 4	30,086	79,669
21.00	Travel and Entertainment	39,019	1, 2, 4	25,284	64,303
22.00	Transportation	0		0	0
23.00	Cleaning Office and Administrative Supplies	15,437	1, 2, 3, 4	91,558	106,995
24.00	Minor Equipment Expensed	29,490	1, 2, 3, 4	108,125	137,615
25.00	Repairs and Maintenance	314,121	1, 3, 4	507,167	821,288
26.00	Dues and Subscriptions	369,724	1, 2, 3, 4	16,578	386,302
27.00	Contributions	0		0	0
28.00	Insurance Premium - Non-Capital Related	931,956		0	931,956
29.00	Taxes and Licenses - Non-Capital Related	45,328	3	15,275	60,603
30.00	Interest Expense	0		0	0
31.00	Purchased Services	1,048,761	1, 2, 3, 4	1,555,182	2,603,943
32.00	Outside Training	19,208	1, 2, 4	59,293	78,501
33.00	Other Expenses	720,820	1, 2, 3, 4	(63,800)	657,020
33.01	Contract and Professional Fees	557,266	1, 2, 3, 4	777,183	1,334,449
33.02	Consultant and Mangement Fees	898,142	1, 3, 4	231,368	1,129,510
33.03	Medical Supplies	2,183	3, 4	1,760	3,943
33.05	Food	102,039	1, 3, 4	86,380	188,419
33.06	Recruiting	0	1	26,600	26,600
34.02	Functional Allocation - Systemwide	0		0	0
34.03	Functional Allocation - Other Services	0		0	0
34.04	Functional Allocation - JMMC & MDMC	0		0	0
34.05	Functional Allocation - Support Services	0		0	0
34.06	Functional Allocation - Malpractice	0		0	0
34.07	Functional Allocation - Patient Revenues	0		0	0
34.08	Functional Allocation - Employee Benefits	0		0	0
34.09	Support Svcs - JMMC	0		0	0
34.10	Support Svcs - MDMC	0		0	0
34.11	Support Svcs - MDMP	0		0	0
34.12	Support Svcs - Brentwood	0		0	0
34.13	Functional Allocation - Muir Lab	0		0	0
34.14	Functional Allocation - Education	0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	\$12,919,036		\$8,333,095	\$21,252,131
37.00	TOTAL ALLOWABLE EXPENSES	\$20,686,176		\$8,690,762	\$29,376,938 (To Sch. 4)
38.00	NONREIMBURSABLE EXPENSES	\$0		\$0	\$0
TOTAL EXPENSES		\$20,686,176		\$8,690,762	\$29,376,938

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

LINE NO.	COST CENTER DESCRIPTION	REPORTED DIRECT ALLOC. (SCH. B, COL 6)	ADJ. NOS.	ADJUSTMENT AMOUNTS	AUDITED DIRECT COSTS
CAPITAL-RELATED COSTS - OLD					
1.00	Old Capital Related - Buildings and Fixtures	\$0		\$0	\$0
2.00	Old Capital Related - Movable Equipment	0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	\$0		\$0	\$0
CAPITAL-RELATED COSTS - NEW					
4.00	New Capital Related - Buildings and Fixtures	\$281,585	6	(\$281,585)	\$0
5.00	New Capital Related - Movable Equipment	0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	\$281,585		(\$281,585)	\$0
OTHER CAPITAL-RELATED COSTS					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	\$0		\$0	\$0
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries and Wages of Others	0		0	0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits - Payroll Related	0		0	0
15.00	Employee Benefits - Nonpayroll Related	0		0	0
16.00	Profit Sharing / Pension Plans	0		0	0
17.00	Legal Fees	0		0	0
18.00	Auditing and Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel and Entertainment	0		0	0
22.00	Transportation	0		0	0
23.00	Cleaning Office and Administrative Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs and Maintenance	0		0	0
26.00	Dues and Subscriptions	0		0	0
27.00	Contributions	0		0	0
28.00	Insurance Premium - Non-Capital Related	0		0	0
29.00	Taxes and Licenses - Non-Capital Related	0		0	0
30.00	Interest Expense	0		0	0
31.00	Purchased Services	0		0	0
32.00	Outside Training	0		0	0
33.00	Other Expenses	0		0	0
33.01	Contract and Professional Fees	0		0	0
33.02	Consultant and Mangement Fees	0		0	0
33.03	Medical Supplies	0		0	0
33.05	Food	0		0	0
33.06	Recruiting	0		0	0
34.02	Functional Allocation - Systemwide	0		0	0
34.03	Functional Allocation - Other Services	348,776	5	(348,776)	0
34.04	Functional Allocation - JMMC & MDMC	0		0	0
34.05	Functional Allocation - Support Services	0		0	0
34.06	Functional Allocation - Malpractice	0		0	0
34.07	Functional Allocation - Patient Revenues	0		0	0
34.08	Functional Allocation - Employee Benefits	0		0	0
34.09	Support Svcs - JMMC	10,661,119		0	10,661,119
34.10	Support Svcs - MDMC	5,158,753		0	5,158,753
34.11	Support Svcs - MDMP	974,791		0	974,791
34.12	Support Svcs - Brentwood	582,454		0	582,454
34.13	Functional Allocation - Muir Lab	0		0	0
34.14	Functional Allocation - Education	0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	\$17,725,893		(\$348,776)	\$17,377,117
37.00	TOTAL ALLOWABLE EXPENSES	\$18,007,478		(\$630,361)	\$17,377,117
(To Schs. 7, 7-1)					
38.00	NONREIMBURSABLE EXPENSES	\$0		\$0	\$0
TOTAL EXPENSES		\$18,007,478		(\$630,361)	\$17,377,117

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

LINE NO.	COST CENTER DESCRIPTION	REPORTED FUNCTIONAL COSTS (SCH. B, COL 7)	ADJ. NOS.	ADJUSTMENT AMOUNTS	AUDITED FUNCTIONAL COSTS
CAPITAL-RELATED COSTS - OLD					
1.00	Old Capital Related - Buildings and Fixtures	\$0		\$0	\$0
2.00	Old Capital Related - Movable Equipment	0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
CAPITAL-RELATED COSTS - NEW					
4.00	New Capital Related - Buildings and Fixtures	\$0		\$0	\$0
5.00	New Capital Related - Movable Equipment	0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
OTHER CAPITAL-RELATED COSTS					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries and Wages of Others	0		0	0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits - Payroll Related	0		0	0
15.00	Employee Benefits - Nonpayroll Related	0		0	0
16.00	Profit Sharing / Pension Plans	0		0	0
17.00	Legal Fees	0		0	0
18.00	Auditing and Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel and Entertainment	0		0	0
22.00	Transportation	0		0	0
23.00	Cleaning Office and Administrative Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs and Maintenance	0		0	0
26.00	Dues and Subscriptions	0		0	0
27.00	Contributions	0		0	0
28.00	Insurance Premium - Non-Capital Related	0		0	0
29.00	Taxes and Licenses - Non-Capital Related	0		0	0
30.00	Interest Expense	0		0	0
31.00	Purchased Services	0		0	0
32.00	Outside Training	0		0	0
33.00	Other Expenses	0		0	0
33.01	Contract and Professional Fees	0		0	0
33.02	Consultant and Mangement Fees	0		0	0
33.03	Medical Supplies	0		0	0
33.05	Food	0		0	0
33.06	Recruiting	0		0	0
34.02	Functional Allocation - Systemwide	36,115,675	1	(4,700,172)	31,415,503
34.03	Functional Allocation - Other Services	10,000,980	2, 3, 5, 7	(1,731,529)	8,269,451
34.04	Functional Allocation - JMMC & MDMC	6,766,982		0	6,766,982
34.05	Functional Allocation - Support Services	5,585,266		0	5,585,266
34.06	Functional Allocation - Malpractice	4,148,740		0	4,148,740
34.07	Functional Allocation - Patient Revenues	7,699,911		0	7,699,911
34.08	Functional Allocation - Employee Benefits	33,783,461		0	33,783,461
34.09	Support Svcs - JMMC	0		0	0
34.10	Support Svcs - MDMC	0		0	0
34.11	Support Svcs - MDMP	0		0	0
34.12	Support Svcs - Brentwood	0		0	0
34.13	Functional Allocation - Muir Lab	1,908,380		0	1,908,380
34.14	Functional Allocation - Education	1,544,619	4	(1,544,619)	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$107,554,014</u>		<u>(\$7,976,320)</u>	<u>\$99,577,694</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$107,554,014</u>		<u>(\$7,976,320)</u>	<u>\$99,577,694</u>
(To Sch. 6-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
TOTAL EXPENSES		<u>\$107,554,014</u>		<u>(\$7,976,320)</u>	<u>\$99,577,694</u>

REPORTED HOME OFFICE COSTS

HOME OFFICE NAME:
JOHN MUIR / MT. DIABLO HEALTH SYSTEM

FISCAL PERIOD ENDED:
DECEMBER 31, 2008

	MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT ALLOCATION		FUNCTIONAL ALLOCATION		POOLED ALLOCATION		TOTAL ALLOCATION HOME OFFICE COSTS	
		FROM	TO	CAPITAL RELATED COSTS (SCH. E)	NON-CAPITAL RELATED COSTS (SCH. E-1)	CAPITAL RELATED COSTS (SCH. F)	NON-CAPITAL RELATED COSTS (SCH. F-1)	CAPITAL RELATED COSTS (SCH. G)	NON-CAPITAL RELATED COSTS (SCH. G)		
HEALTH CARE FACILITIES											
1.	JOHN MUIR MEDICAL CENTER	ZZR00180F	01/01/08	12/31/08	\$281,585	\$11,009,895		\$67,394,154	\$4,449,907	\$7,401,503	\$90,537,044
2.	JOHN MUIR MEDICAL CENTER - CONCORD	ZZR00496G	01/01/08	12/31/08		5,158,753		30,902,384	2,003,615	3,332,602	41,397,354
3.	JOHN MUIR BEHAVIORAL CENTER	HSM/HSP34131	01/01/08	12/31/08		974,791		2,371,550	190,559	316,955	3,853,855
4.	BRENTWOOD	ZZR00180F	01/01/08	12/31/08		582,454					582,454
SUBTOTAL (LINES 1 THROUGH 4)					\$281,585	\$17,725,893	\$0	\$100,668,088	\$6,644,081	\$11,051,060	\$136,370,707
OTHER COMPONENTS											
5.	JOHN MUIR HEALTH NETWORK		01/01/08	12/31/08				\$6,885,926	\$800,185	\$1,330,945	\$9,017,056
6.	BENEFIT CORP		01/01/08	12/31/08					18,624	30,977	49,601
7.	FOUNDATION		01/01/08	12/31/08					24,290	40,401	64,691
8.	SIERRA SURGERY CENTER		01/01/08	12/31/08					16,882	28,079	44,961
9.	DV SURGERY CENTER		01/01/08	12/31/08					124,712	207,433	332,145
10.	MD MRI		01/01/08	12/31/08					29,660	49,333	78,993
11.	JM MRI		01/01/08	12/31/08					30,305	50,405	80,710
12.	HOUSING FITNESS CENTER		01/01/08	12/31/08							0
13.	NEUROSCAN		01/01/08	12/31/08					78,401	130,403	208,804
14.	OTHER MANAGED FACILITY		01/01/08	12/31/08							0
SUBTOTAL (LINES 5 THROUGH 14)					\$0	\$0	\$0	\$6,885,926	\$1,123,059	\$1,867,976	\$9,876,961
GRAND TOTAL					\$281,585	\$17,725,893	\$0	\$107,554,014	\$7,767,140	\$12,919,036	\$146,247,668

(To Sch. 2, Col. 1)

Provider Name							Fiscal Period		Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		ACUHO0026		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<u>RECLASSIFICATIONS OF REPORTED FUNCTIONAL COSTS</u>											
1	8	B		12.00	8	Salaries and Wages of Others (Pooled Allocation)	\$6,363,416	\$3,044,611	\$9,408,027	*	
	8	B		20.00	8	Communications	49,583	24,010	73,593	*	
	8	B		21.00	8	Travel and Entertainment	39,019	18,972	57,991	*	
	8	B		23.00	8	Cleaning Office and Administrative Supplies	15,437	17,265	32,702	*	
	8	B		24.00	8	Minor Equipment Expensed	29,490	52,685	82,175	*	
	8	B		25.00	8	Repairs and Maintenance	314,121	317,218	631,339	*	
	8	B		26.00	8	Dues and Subscriptions	369,724	4,450	374,174	*	
	8	B		31.00	8	Purchased Services	1,048,761	417,792	1,466,553	*	
	8	B		32.00	8	Outside Training	19,208	51,111	70,319	*	
	8	B		33.00	8	Other Expense	720,820	81	720,901	*	
	8	B		33.01	8	Contract and Professional Fees	557,266	513,558	1,070,824	*	
	8	B		33.02	8	Consultant and Management Fees	898,142	210,380	1,108,522	*	
	8	B		33.05	8	Food	102,039	1,439	103,478	*	
	8	B		33.06	8	Recruiting	0	26,600	26,600		
	8	B		34.02	7	Functional Allocation - Systemwide (Functional Allocation)	36,115,675	(4,700,172)	31,415,503		
<p>To reverse the reported reclassification of Telemedicine (Acct #8498) and Language Assistance (Acct #8796) from functional allocation to pooled allocation as these departments serve the entire health network system. This adjustment is consistent with the prior years' treatments.</p> <p>CMS Pub. 15-1, Sections 2150, 2300, and 2304</p>											

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008			ACUHO0026		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
RECLASSIFICATIONS OF REPORTED FUNCTIONAL COSTS												
2	8	B		12.00	8	Salaries and Wages of Others (Pooled Allocation)	*	\$9,408,027	\$322,725	\$9,730,752 *		
	8	B		21.00	8	Travel and Entertainment	*	57,991	2,080	60,071 *		
	8	B		23.00	8	Cleaning Office and Administrative Supplies	*	32,702	1,193	33,895 *		
	8	B		24.00	8	Minor Equipment Expensed	*	82,175	14,670	96,845 *		
	8	B		26.00	8	Dues and Subscriptions	*	374,174	3,936	378,110 *		
	8	B		31.00	8	Purchased Services	*	1,466,553	304,067	1,770,620 *		
	8	B		32.00	8	Outside Training	*	70,319	2,714	73,033 *		
	8	B		33.00	8	Other Expense	*	720,901	3,167	724,068 *		
	8	B		33.01	8	Contract and Professional Fees	*	1,070,824	2,514	1,073,338 *		
	8	B		34.03	7	Functional Allocation - Other Services (Functional Allocation)		10,000,980	(657,066)	9,343,914 *		
<p>To reverse the reported reclassification of Internal Audit (Acct #8518) from functional allocation to pooled allocation as the department serves the the entire health network system. This adjustment is consistent with the prior years' treatments. CMS Pub. 15-1, Sections 2150, 2150.3D, and 2304</p>												
3	8	B		4.00	8	New Capital Related Costs - Buildings and Fixtures (Pooled Allocation)		\$1,987,647	\$138	\$1,987,785 *		
	8	B		5.00	8	New Capital Related Costs - Movable Equipment		5,779,493	36,567	5,816,060 *		
	8	B		12.00	8	Salaries and Wages of Others	*	9,730,752	42,268	9,773,020 *		
	8	B		17.00	8	Legal Fees		400,585	13,027	413,612		
	8	B		19.00	8	Utilities		11,549	678,609	690,158		
	8	B		20.00	8	Communications	*	73,593	3,083	76,676 *		
	8	B		23.00	8	Cleaning Office and Administrative Supplies	*	33,895	20,986	54,881 *		
	8	B		24.00	8	Minor Equipment Expensed	*	96,845	4,061	100,906 *		
	8	B		25.00	8	Repairs and Maintenance	*	631,339	190,771	822,110 *		
	8	B		26.00	8	Dues and Subscriptions	*	378,110	7,994	386,104 *		
	8	B		29.00	8	Taxes / Licenses - Noncapital Related		45,328	15,275	60,603		
	8	B		31.00	8	Purchased Services	*	1,770,620	471,823	2,242,443 *		
	8	B		33.00	8	Other Expense	*	724,068	(89,789)	634,279 *		
	8	B		33.01	8	Contract and Professional Fees	*	1,073,338	13,007	1,086,345 *		
	8	B		33.02	8	Consultant and Management Fees	*	1,108,522	1,438	1,109,960 *		
	8	B		33.03	8	Medical Supplies		2,183	166	2,349 *		

-Continued on next page-

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	ACUHO0026		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
RECLASSIFICATIONS OF REPORTED FUNCTIONAL COSTS										
-Continued from previous page-										
	8	B		33.05	8	Food	*	\$103,478	\$60,337	\$163,815 *
	8	B		34.03	7	Functional Allocation - Other Services (Functional Allocation)	*	9,343,914	(1,469,759)	7,874,155 *
						To reverse the reported reclassification of home office building costs (Acct #8458) from functional allocation to pooled allocation as these costs are related to the general building costs of 1400 Treat Blvd. CMS Pub. 15-1, Sections 2150, 2150.3D, and 2304				
4	8	B		5.00	8	New Capital Related Costs - Movable Equipment (Pooled Allocation)	*	\$5,816,060	\$1,819	\$5,817,879
	8	B		12.00	8	Salaries and Wages of Others	*	9,773,020	763,816	10,536,836
	8	B		20.00	8	Communications	*	76,676	2,993	79,669
	8	B		21.00	8	Travel and Entertainment	*	60,071	4,232	64,303
	8	B		23.00	8	Cleaning Office and Administrative Supplies	*	54,881	52,114	106,995
	8	B		24.00	8	Minor Equipment Expensed	*	100,906	36,709	137,615
	8	B		25.00	8	Repairs and Maintenance	*	822,110	(822)	821,288
	8	B		26.00	8	Dues and Subscriptions	*	386,104	198	386,302
	8	B		31.00	8	Purchased Services	*	2,242,443	361,500	2,603,943
	8	B		32.00	8	Outside Training	*	73,033	5,468	78,501
	8	B		33.00	8	Other Expense	*	634,279	22,741	657,020
	8	B		33.01	8	Contract and Professional Fees	*	1,086,345	248,104	1,334,449
	8	B		33.02	8	Consultant and Management Fees	*	1,109,960	19,550	1,129,510
	8	B		33.03	8	Medical Supplies	*	2,349	1,594	3,943
	8	B		33.05	8	Food	*	163,815	24,604	188,419
	8	B		34.14	7	Functional Allocation - Education (Functional Allocation)		1,544,619	(1,544,619)	0
						To reverse the reported Education costs (Acct #8741) from functional allocation to pooled allocation as this department provides service to the entire health network system. This adjustment is consistent with the prior years' treatments. CMS Pub. 15-1, Sections 2150, 2300, and 2304				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008			ACUHO0026		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>RECLASSIFICATIONS OF REPORTED DIRECT COSTS</u>												
5	8	B			34.03	6	Functional Allocation - Other Services (Direct Allocation)	\$348,776	(\$348,776)	\$0		
	8	B			34.03	7	Functional Allocation - Other Services (Functional Allocation)	* 7,874,155	348,776	8,222,931 *		
							To reverse the provider's reclassification of direct cost of JMMC patient accounting related to home office general building costs back to pooled allocation due to lack of support for the square footage statistics, in conjunction with audit adjustment number 3. CMS Pub. 15-1, Sections 2150, 2300, 2304, and 2328					
6	8	B			4.00	6	New Capital Related Costs - Buildings and Fixtures (Direct Allocation)	\$281,585	(\$281,585)	\$0		
	8	B			4.00	8	New Capital Related Costs - Buildings and Fixtures (Pooled Allocation)	* 1,987,785	281,585	2,269,370 *		
							To reverse the provider's direct cost of JMMC patient accounting related to building depreciation costs (Acct #8811.72) back to pooled allocation due to lack of support for the allocation square footage statistics. CMS Pub. 15-1, Sections 2150, 2300, 2304, and 2328					

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008			ACUHO0026		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENT TO REPORTED FUNCTIONAL COSTS</u>												
7	8	B			34.03	7	Functional Allocation - Other Services (Functional Allocation) To reverse the provider's adjustment of Foundation capital related costs back to pooled allocation due to lack of support for the square footage statistics and in conjunction with audit adjustment number 3. CMS Pub. 15-1, Sections 2150, 2300, 2304, and 2328	*	\$8,222,931	\$46,520	\$8,269,451	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008			ACUHO0026		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENT TO REPORTED POOLED COSTS</u>												
8	8	B			4.00	8	New Capital Related Building and Fixtures (Pooled Allocation) To reverse the provider's adjustment of Foundation capital related costs back to pooled allocation due to lack of support for the square footage statistics and in conjunction with audit adjustment number 3. CMS Pub. 15-1, Sections 2150, 2300, 2304, and 2328	*	\$2,269,370	\$37,558	\$2,306,928	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008			ACUHO0026		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENTS TO REPORTED DIRECT COSTS</u>												
9	7-1	E-1			1.00	34.03	Functional Allocation - Other Services To reverse the provider's direct cost of JMMC patient accounting general building costs in conjunction with audit adjustment number 5. CMS Pub. 15-1, Sections 2150, 2300, 2304, and 2328	\$11,009,895	(\$348,776)	\$10,661,119		
10	7	E			1.00	4	John Muir Medical Center To reverse the provider's direct cost of JMMC patient accounting building depreciation costs in conjunction with audit adjustment number 6. CMS Pub. 15-1, Sections 2150, 2300, 2304, and 2328	\$281,585	(\$281,585)	\$0		

Provider Name							Fiscal Period			Provider Number		Adjustments
JOHN MUIR / MT. DIABLO HEALTH SYSTEM							JANUARY 1, 2008 THROUGH DECEMBER 31, 2008			ACUHO0026		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENT TO REPORTED STATISTICS</u>												
11	4	G			27.00	1	Nonreimbursable Cost Centers (Total Operating Costs)			0	11,963,561	11,963,561
	4	G			28.00	1	Subtotal - Other Components			132,187,000	11,963,561	144,150,561
	4	G			34.00	1	Grand Total			914,211,000	11,963,561	926,174,561
							To setup a nonreimbursable cost center for the various nonallowable activity departments to properly share the administrative and general costs for proper cost determination. CMS Pub. 15-1, Sections 2150 and 2328					