

**REPORT ON THE
COST REPORT REVIEW**

**SCRIPPS MERCY HOSPITAL
SAN DIEGO, CALIFORNIA
PROVIDER NUMBERS: HSC/ZZT30077G
NATIONAL PROVIDER IDENTIFIER: 1659359446**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2008**

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

**Section Chief: Patricia M. Fox
Audit Supervisor: Sergio Gonzalez
Auditors: Ally Zhang/Jing H. Zhang**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

August 12, 2010

Administrator
Scripps Mercy Hospital
4077 Fifth Avenue
San Diego, CA 92103

SCRIPPS MERCY HOSPITAL
PROVIDER NUMBER HSC30077G
NATIONAL PROVIDER IDENTIFIER (NPI) 1659359446
FISCAL PERIOD ENDED SEPTEMBER 30, 2008

We have examined the provider's Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and was limited to a review of the cost report and accompanying financial statements, Medi-Cal payment data reports, prior fiscal period's Medi-Cal program audit report, and Medicare audit report for the current fiscal period, if applicable and available.

In our opinion, the audited combined settlement for the fiscal period due the State in the amount of \$56,060, and the audited costs presented in the Summary of Findings represent a proper determination in accordance with the reimbursement principles of applicable programs.

This audit report includes the:

1. Summary of Findings
2. Computation of Medi-Cal Reimbursement Settlement (NONCONTRACT Schedules)
3. Computation of Medi-Cal Cost (CONTRACT Schedules)
4. Audit Adjustments Schedule

The audited settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s)

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of Account Status will be forwarded to the provider by the State fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status. Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

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—San Diego at (619) 688-3200.

Originally signed by

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

cc: See Next Page

Administrator
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cc: Administrator
Scripps Mercy Hospital—Chula Vista
435 H Street
Chula Vista, CA 91912

Keith Gerhart, CPA
Director, Corporate Reimbursement
Scripps Health
4275 Campus Point Court
San Diego, CA 92121

SUMMARY OF FINDINGS

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

	SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1) Provider No. ZZT30077G		
Reported	\$ 0	
Net Change	\$ (47,960)	
Audited Amount Due Provider (State)	\$ (47,960)	
2. Subprovider I (SCHEDULE 1-1) Provider No.		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
3. Subprovider II (SCHEDULE 1-2) Provider No.		
Reported	\$ 0	
Net Change	\$ 0	
Audited Amount Due Provider (State)	\$ 0	
4. Medi-Cal Contract Cost (CONTRACT SCH 1) Provider No. HSC30077G		
Reported		\$ 70,341,897
Net Change		\$ (4,149,112)
Audited Cost		\$ 66,192,785
Audited Amount Due Provider (State)	\$ (8,100)	
5. Distinct Part Nursing Facility (DPNF SCH 1) Provider No.		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
6. Distinct Part Nursing Facility (DPNF SCH 1-1) Provider No.		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
7. Adult Subacute (ADULT SUBACUTE SCH 1) Provider No.		
Reported		\$ 0.00
Net Change		\$ 0.00
Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)	\$ 0	
8. Total Medi-Cal Settlement Due Provider (State) - (Lines 1 through 7)	\$ (56,060)	
9. Total Medi-Cal Cost		\$ 66,192,785

SUMMARY OF FINDINGS

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

		SETTLEMENT	COST
10. Subacute (SUBACUTE SCH 1-1)	Provider No.		
	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
11. Rural Health Clinic (RHC SCH 1)	Provider No.		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
12. Rural Health Clinic (RHC 95-210 SCH 1)	Provider No.		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
13. Rural Health Clinic (RHC 95-210 SCH 1-1)	Provider No.		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
14. County Medical Services Program (CMSP SCH 1)	Provider No.		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
15. Transitional Care (TC SCH 1)	Provider No.		
	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
16. Total Other Settlement Due Provider - (Lines 10 through 15)		\$ 0	
17. Total Combined Audited Settlement Due Provider (State/CMSP/RHC) - (Line 8 + Line 16)		\$ (56,060)	

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No.
ZZT30077G

	REPORTED	AUDITED
1. Net Cost of Covered Services Rendered to Medi-Cal Patients (Schedule 3)	\$ _____ 0	\$ _____ 1,311,991
2. Excess Reasonable Cost Over Charges (Schedule 2)	\$ _____ 0	\$ _____ 0
3. Medi-Cal Inpatient Hospital Based Physician Services	\$ _____ 0	\$ _____ N/A
4.	\$ _____ 0	\$ _____ 0
5. TOTAL COST-Reimbursable to Provider (Lines 1 through 4)	\$ _____ 0	\$ _____ 1,311,991
6. Interim Payments (Adj 6)	\$ _____ 0	\$ _____ (1,359,951)
7. Balance Due Provider (State)	\$ _____ 0	\$ _____ (47,960)
8. Duplicate Payments (Adj)	\$ _____ 0	\$ _____ 0
9.	\$ _____ 0	\$ _____ 0
10.	\$ _____ 0	\$ _____ 0
11. TOTAL MEDI-CAL SETTLEMENT Due Provider (State)	\$ _____ 0	\$ _____ (47,960)
		(To Summary of Findings)

COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGESProvider Name:
SCRIPPS MERCY HOSPITALFiscal Period Ended:
SEPTEMBER 30, 2008Provider No.
ZZT30077G

REPORTED

AUDITED

REASONABLE COST OF MEDI-CAL INPATIENT SERVICES

1. Cost of Covered Services (Schedule 3) \$ 0 \$ 1,331,869

CHARGES FOR MEDI-CAL INPATIENT SERVICES

2. Inpatient Routine Service Charges (Adj 4) \$ 0 \$ 6,676,503

3. Inpatient Ancillary Service Charges (Adj 4) \$ 0 \$ 2,257,597

4. Total Charges - Medi-Cal Inpatient Services \$ 0 \$ 8,934,100

5. Excess of Customary Charges Over Reasonable Cost
(Line 4 minus Line 1) * \$ 0 \$ 7,602,2316. Excess of Reasonable Cost Over Customary Charges
(Line 1 minus Line 4) \$ 0 \$ 0
(To Schedule 1)

* If charges exceed reasonable cost, no further calculation necessary for this schedule.

COMPUTATION OF
MEDI-CAL NET COSTS OF COVERED SERVICESProvider Name:
SCRIPPS MERCY HOSPITALFiscal Period Ended:
SEPTEMBER 30, 2008Provider No.
ZZT30077G

	REPORTED	AUDITED
1. Medi-Cal Inpatient Ancillary Services (Schedule 5)	\$ 0	\$ 531,707
2. Medi-Cal Inpatient Routine Services (Schedule 4)	\$ 0	\$ 800,162
3. Medi-Cal Inpatient Hospital Based Physician for Intern and Resident Services (Sch)	\$ 0	\$ 0
4.	\$ 0	\$ 0
5.	\$ 0	\$ 0
6. SUBTOTAL (Sum of Lines 1 through 5)	\$ 0	\$ 1,331,869
7. Medi-Cal Inpatient Hospital Based Physician for Acute Care Services (Schedule 7)	\$ 0	\$ 0
8. SUBTOTAL	\$ 0	\$ 1,331,869
		(To Schedule 2)
9. Deductibles (Adj 5)	\$ 0	\$ (2,581)
10. Coinsurance (Adj 5)	\$ 0	\$ (17,297)
11. Net Cost of Covered Services Rendered to Medi-Cal Inpatients	\$ 0	\$ 1,311,991
		(To Schedule 1)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
SCRIPPS MERCY HOSPITALFiscal Period Ended:
SEPTEMBER 30, 2008Provider No.
ZZT30077G

GENERAL SERVICE UNIT NET OF SWING-BED COSTS

REPORTED	AUDITED
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INPATIENT DAYS

1. Total Inpatient Days (include private & swing-bed) (Adj)	130,321	130,321
2. Inpatient Days (include private, exclude swing-bed)	130,321	130,321
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj)	130,321	130,321
5. Medicare NF Swing-Bed Days through Dec 31 (Adj)	0	0
6. Medicare NF Swing-Bed Days after Dec 31 (Adj)	0	0
7. Medi-Cal NF Swing-Bed Days through July 31 (Adj)	0	0
8. Medi-Cal NF Swing-Bed Days after July 31 (Adj)	0	0
9. Medi-Cal Days (excluding swing-bed) (Adj)	0	0

SWING-BED ADJUSTMENT

17. Medicare NF Swing-Bed Rates through Dec 31 (Adj)	\$ 0.00	\$ 0.00
18. Medicare NF Swing-Bed Rates after Dec 31(Adj)	\$ 0.00	\$ 0.00
19. Medi-Cal NF Swing-Bed Rates through July 31(Adj)	\$ 0.00	\$ 0.00
20. Medi-Cal NF Swing-Bed Rates after July 31(Adj)	\$ 0.00	\$ 0.00
21. Total Routine Serv Cost (Sch 8, Line 25, Col 27)	\$ 122,910,447	\$ 122,910,094
22. Medicare NF Swing-Bed Cost through Dec 31 (L 5 x L 17)	\$ 0	\$ 0
23. Medicare NF Swing-Bed Cost after Dec 31 (L 6 x L 18)	\$ 0	\$ 0
24. Medi-Cal NF Swing-Bed Cost through July 31 (L 7 x L 19)	\$ 0	\$ 0
25. Medi-Cal NF Swing-Bed Cost after July 31 (L 8 x L 20)	\$ 0	\$ 0
26. Total Swing-Bed Cost (Sum of Lines 22 to 25)	\$ 0	\$ 0
27. Inpatient Routine Cost Net of Swing-Bed (L 21 minus L 26)	\$ 122,910,447	\$ 122,910,094

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)	\$ 358,523,810	\$ 358,523,810
29. Private Room Charges (excluding swing-bed charges)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)	\$ 358,523,810	\$ 358,523,810
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 / L 28)	\$ 0.342824	\$ 0.342823
32. Average Private Room Per Diem Charge (L 29 / L 3)	\$ 0.00	\$ 0.00
33. Average Semi-Private Room Per Diem Charge (L 30 / L 4)	\$ 2,751.08	\$ 2,751.08
34. Avg Per Diem Prvt Room Charge Differential (L 32 minus L 33)	\$ 0.00	\$ 0.00
35. Average Per Diem Private Room Cost Differential (L 31 x L 34)	\$ 0.00	\$ 0.00
36. Private Room Cost Differential Adjustment (L 35 x L 3)	\$ 0	\$ 0
37. Inpatient Rout Cost Net of Swing-Bed & Prvt Rm (L 27 minus L 36)	\$ 122,910,447	\$ 122,910,094

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 / L 2)	\$ 943.14	\$ 943.13
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 0	\$ 0
40. Cost Applicable to Medi-Cal (Sch 4A)	\$ 0	\$ 800,162
41. Cost Applicable to Medi-Cal (Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39,40 & 41)	\$ 0	\$ 800,162

(To Schedule 3)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
SCRIPPS MERCY HOSPITALFiscal Period Ended:
SEPTEMBER 30, 2008Provider No.
ZZT30077G

SPECIAL CARE AND/OR NURSERY UNITS	REPORTED	AUDITED
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 33, Col 27)	\$ 3,441,151	\$ 3,441,149
2. Total Inpatient Days (Adj)	7,861	7,861
3. Average Per Diem Cost	\$ 437.75	\$ 437.75
4. Medi-Cal Inpatient Days (Adj)	0	0
5. Cost Applicable to Medi-Cal	\$ 0	\$ 0
INTENSIVE CARE UNIT		
6. Total Inpatient Routine Cost (Sch 8, Line 26, Col 27)	\$ 35,477,853	\$ 35,477,818
7. Total Inpatient Days (Adj)	16,591	16,591
8. Average Per Diem Cost	\$ 2,138.38	\$ 2,138.38
9. Medi-Cal Inpatient Days (Adj)	0	0
10. Cost Applicable to Medi-Cal	\$ 0	\$ 0
CORONARY CARE UNIT		
11. Total Inpatient Routine Cost (Sch 8, Line 27, Col 27)	\$ 0	\$ 0
12. Total Inpatient Days (Adj)	0	0
13. Average Per Diem Cost	\$ 0.00	\$ 0.00
14. Medi-Cal Inpatient Days (Adj)	0	0
15. Cost Applicable to Medi-Cal	\$ 0	\$ 0
NEONATAL INTENSIVE CARE UNIT		
16. Total Inpatient Routine Cost (Sch 8, Line 30, Col 27)	\$ 7,253,650	\$ 7,253,646
17. Total Inpatient Days (Adj)	4,712	4,712
18. Average Per Diem Cost	\$ 1,539.40	\$ 1,539.40
19. Medi-Cal Inpatient Days (Adj)	0	0
20. Cost Applicable to Medi-Cal	\$ 0	\$ 0
SURGICAL INTENSIVE CARE UNIT		
21. Total Inpatient Routine Cost (Sch 8, Line 29, Col 27)	\$ 0	\$ 0
22. Total Inpatient Days (Adj)	0	0
23. Average Per Diem Cost	\$ 0.00	\$ 0.00
24. Medi-Cal Inpatient Days (Adj)	0	0
25. Cost Applicable to Medi-Cal	\$ 0	\$ 0
ADMINISTRATIVE DAYS		
26. Average Per Diem Rate (Adj 2)	\$ 0.00	\$ 307.40
27. Medi-Cal Inpatient Days (Adj 2)	0	2,603
28. Cost Applicable to Medi-Cal	\$ 0	\$ 800,162
ADMINISTRATIVE DAYS		
29. Per Diem Rate (Adj)	\$ 0.00	\$ 0.00
30. Medi-Cal Inpatient Days (Adj)	0	0
31. Cost Applicable to Medi-Cal	\$ 0	\$ 0
32. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,28,31)	\$ 0	\$ 800,162

(To Schedule 4)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
SCRIPPS MERCY HOSPITALFiscal Period Ended:
SEPTEMBER 30, 2008Provider No.
ZZT30077G

SPECIAL CARE UNITS	REPORTED	AUDITED
1. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
2. Total Inpatient Days (Adj)	0	0
3. Average Per Diem Cost	\$ 0.00	\$ 0.00
4. Medi-Cal Inpatient Days (Adj)	0	0
5. Cost Applicable to Medi-Cal	\$ 0	\$ 0
6. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
7. Total Inpatient Days (Adj)	0	0
8. Average Per Diem Cost	\$ 0.00	\$ 0.00
9. Medi-Cal Inpatient Days (Adj)	0	0
10. Cost Applicable to Medi-Cal	\$ 0	\$ 0
11. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
12. Total Inpatient Days (Adj)	0	0
13. Average Per Diem Cost	\$ 0.00	\$ 0.00
14. Medi-Cal Inpatient Days (Adj)	0	0
15. Cost Applicable to Medi-Cal	\$ 0	\$ 0
16. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
17. Total Inpatient Days (Adj)	0	0
18. Average Per Diem Cost	\$ 0.00	\$ 0.00
19. Medi-Cal Inpatient Days (Adj)	0	0
20. Cost Applicable to Medi-Cal	\$ 0	\$ 0
21. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
22. Total Inpatient Days (Adj)	0	0
23. Average Per Diem Cost	\$ 0.00	\$ 0.00
24. Medi-Cal Inpatient Days (Adj)	0	0
25. Cost Applicable to Medi-Cal	\$ 0	\$ 0
26. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
27. Total Inpatient Days (Adj)	0	0
28. Average Per Diem Cost	\$ 0.00	\$ 0.00
29. Medi-Cal Inpatient Days (Adj)	0	0
30. Cost Applicable to Medi-Cal	\$ 0	\$ 0
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	\$ 0	\$ 0

(To Schedule 4)

SCHEDULE OF MEDI-CAL ANCILLARY COSTS

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
ZZT30077G

		TOTAL ANCILLARY COST *	TOTAL ANCILLARY CHARGES (Adj)	RATIO COST TO CHARGES	MEDI-CAL CHARGES (From Schedule 6)	MEDI-CAL COST
ANCILLARY COST CENTERS						
37.00	Operating Room	\$ 68,913,631	\$ 377,738,985	0.182437	\$ 0	\$ 0
38.00	Recovery Room	0	0	0.000000	0	0
39.00	Delivery Room and Labor Room	13,243,541	18,347,590	0.721814	0	0
40.00	Anesthesiology	0	0	0.000000	0	0
41.00	Radiology-Diagnostic	30,193,011	153,091,098	0.197223	1,350	266
41.01		0	0	0.000000	0	0
41.02		0	0	0.000000	0	0
42.00	Radiology-Therapeutic	0	0	0.000000	0	0
43.00	Radioisotope	1,785,096	7,477,797	0.238720	0	0
44.00	Laboratory	18,199,331	89,248,135	0.203918	345,727	70,500
44.01	Laboratory-Pathological	1,954,172	4,875,574	0.400809	0	0
46.00	Whole Blood and Packed Red Blood Cells	4,220,600	5,057,425	0.834535	0	0
47.00	Blood Storing and Processing	0	0	0.000000	0	0
48.00	Intravenous Therapy	0	0	0.000000	0	0
49.00	Respiratory Therapy	8,294,320	49,864,616	0.166337	0	0
50.00	Physical Therapy	7,851,523	17,828,622	0.440389	229,462	101,052
51.00	Occupational Therapy	2,228,374	7,121,506	0.312908	297,351	93,043
53.00	Electrocardiology	4,253,848	35,176,635	0.120928	0	0
53.01	Cardiac Rehab	203,730	116,806	1.744171	0	0
53.02	Cardiac Catheterization Laboratory	12,370,521	90,584,505	0.136563	0	0
54.00	Electroencephalography	309,415	629,998	0.491137	0	0
55.00	Medical Supplies Charged to Patients	8,466,993	42,442,305	0.199494	0	0
56.00	Drugs Charged to Patients	29,270,878	151,781,458	0.192849	1,383,707	266,846
57.00	Renal Dialysis	2,989,361	11,122,741	0.268761	0	0
59.00	Endoscopy	4,314,454	16,027,715	0.269187	0	0
59.01	Sleep Disorders	759,116	3,999,561	0.189800	0	0
59.02	Lithotripsy	31,667	165,527	0.191313	0	0
59.03		0	0	0.000000	0	0
60.00	Clinic	6,699,653	4,476,405	1.496659	0	0
60.01	Other Clinic Services	0	0	0.000000	0	0
61.00	Emergency	30,044,431	143,013,890	0.210081	0	0
61.01	Behavioral Health O/P	9,626,782	22,032,086	0.436944	0	0
62.00	Observation Beds	0	3,810,636	0.000000	0	0
82.00		0	0	0.000000	0	0
83.00		0	0	0.000000	0	0
84.00		0	0	0.000000	0	0
85.00		0	0	0.000000	0	0
86.00		0	0	0.000000	0	0
TOTAL		\$ 266,224,447	\$ 1,256,031,616		\$ 2,257,597	\$ 531,707

(To Schedule 3)

* From Schedule 8, Column 27

COMPUTATION OF MEDI-CAL CONTRACT COST

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
HSC30077G

	REPORTED	AUDITED
1. Net Cost of Covered Services Rendered to Medi-Cal Patients (Contract Sch 3)	\$ <u>70,341,897</u>	\$ <u>66,192,785</u>
2. Excess Reasonable Cost Over Charges (Contract Sch 2)	\$ <u>0</u>	\$ <u>0</u>
3. Medi-Cal Inpatient Hospital Based Physician Services	\$ <u>0</u>	\$ <u>N/A</u>
4.	\$ <u>0</u>	\$ <u>0</u>
5. Subtotal (Sum of Lines 1 through 4)	\$ <u>70,341,897</u>	\$ <u>66,192,785</u>
6.	\$ <u>0</u>	\$ <u>0</u>
7.	\$ <u>0</u>	\$ <u>0</u>
8. Total Medi-Cal Cost (Sum of Lines 5 through 7)	\$ <u>70,341,897</u>	\$ <u>66,192,785</u>
	(To Summary of Findings)	
9. Medi-Cal Overpayments (Adj 11)	\$ <u>0</u>	\$ <u>(8,100)</u>
10. Medi-Cal Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
11.	\$ <u>0</u>	\$ <u>0</u>
12.	\$ <u>0</u>	\$ <u>0</u>
13. TOTAL MEDI-CAL SETTLEMENT Due Provider (State)	\$ <u>0</u>	\$ <u>(8,100)</u>
	(To Summary of Findings)	

**COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGES**

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
HSC30077G

REPORTED

AUDITED

REASONABLE COST OF MEDI-CAL INPATIENT SERVICES

1. Cost of Covered Services (Contract Sch 3)	\$ <u>71,889,678</u>	\$ <u>67,514,195</u>
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CHARGES FOR MEDI-CAL INPATIENT SERVICES

2. Inpatient Routine Service Charges (Adj 9)	\$ <u>114,923,999</u>	\$ <u>98,097,277</u>
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3. Inpatient Ancillary Service Charges (Adj 9)	\$ <u>162,975,408</u>	\$ <u>138,743,153</u>
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4. Total Charges - Medi-Cal Inpatient Services	\$ <u>277,899,407</u>	\$ <u>236,840,430</u>
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5. Excess of Customary Charges Over Reasonable Cost (Line 4 minus Line 1) *	\$ <u>206,009,729</u>	\$ <u>169,326,235</u>
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6. Excess of Reasonable Cost Over Customary Charges (Line 1 minus Line 4)	\$ <u>0</u>	\$ <u>0</u>
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(To Contract Sch 1)

* If charges exceed reasonable cost, no further calculation necessary for this schedule.

**COMPUTATION OF
MEDI-CAL NET COST OF COVERED SERVICES**

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
HSC30077G

	REPORTED	AUDITED
1. Medi-Cal Inpatient Ancillary Services (Contract Sch 5)	\$ <u>35,995,720</u>	\$ <u>29,558,976</u>
2. Medi-Cal Inpatient Routine Services (Contract Sch 4)	\$ <u>35,893,958</u>	\$ <u>37,955,219</u>
3. Medi-Cal Inpatient Hospital Based Physician for Intern and Resident Services (Sch)	\$ <u>0</u>	\$ <u>0</u>
4.	\$ <u>0</u>	\$ <u>0</u>
5.	\$ <u>0</u>	\$ <u>0</u>
6. SUBTOTAL (Sum of Lines 1 through 5)	\$ <u>71,889,678</u>	\$ <u>67,514,195</u>
7. Medi-Cal Inpatient Hospital Based Physician for Acute Care Services (Contract Sch 7)	\$ <u>0</u>	\$ <u>0</u>
8. SUBTOTAL	\$ <u>71,889,678</u>	\$ <u>67,514,195</u>
	(To Contract Sch 2)	
9. Deductibles (Adj 10)	\$ <u>(115,737)</u>	\$ <u>(261,873)</u>
10. Coinsurance (Adj 10)	\$ <u>(1,432,044)</u>	\$ <u>(1,059,537)</u>
11. Net Cost of Covered Services Rendered to Medi-Cal Inpatients	\$ <u>70,341,897</u>	\$ <u>66,192,785</u>
	(To Contract Sch 1)	

**COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST**

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
HSC30077G

GENERAL SERVICE UNIT NET OF SWING-BEDS COSTS

	REPORTED	AUDITED
INPATIENT DAYS		
1. Total Inpatient Days (include private & swing-bed) (Adj)	130,321	130,321
2. Inpatient Days (include private, exclude swing-bed)	130,321	130,321
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj)	130,321	130,321
5. Medicare NF Swing-Bed Days through Dec 31 (Adj)	0	0
6. Medicare NF Swing-Bed Days after Dec 31 (Adj)	0	0
7. Medi-Cal NF Swing-Bed Days through July 31 (Adj)	0	0
8. Medi-Cal NF Swing-Bed Days after July 31 (Adj)	0	0
9. Medi-Cal Days (excluding swing-bed) (Adj 7)	26,149	17,979

SWING-BED ADJUSTMENT

17. Medicare NF Swing-Bed Rates through Dec 31 (Adj)	\$ 0.00	\$ 0.00
18. Medicare NF Swing-Bed Rates after Dec 31(Adj)	\$ 0.00	\$ 0.00
19. Medi-Cal NF Swing-Bed Rates through July 31(Adj)	\$ 0.00	\$ 0.00
20. Medi-Cal NF Swing-Bed Rates after July 31(Adj)	\$ 0.00	\$ 0.00
21. Total Routine Serv Cost (Sch 8, Part I, Line 25, Col 27)	\$ 122,910,447	\$ 122,910,094
22. Medicare NF Swing-Bed Cost through Dec 31 (L 5 x L 17)	\$ 0	\$ 0
23. Medicare NF Swing-Bed Cost after Dec 31 (L 6 x L 18)	\$ 0	\$ 0
24. Medi-Cal NF Swing-Bed Cost through July 31 (L 7 x L 19)	\$ 0	\$ 0
25. Medi-Cal NF Swing-Bed Cost after July 31 (L 8 x L 20)	\$ 0	\$ 0
26. Total Swing-Bed Cost (Sum of Lines 22 to 25)	\$ 0	\$ 0
27. Inpatient Routine Cost Net of Swing-Bed (L 21 minus L 26)	\$ 122,910,447	\$ 122,910,094

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)(Adj)	\$ 358,523,810	\$ 358,523,810
29. Private Room Charges (excluding swing-bed charges)(Adj)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)(Adj)	\$ 358,523,810	\$ 358,523,810
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 / L 28)	\$ 0.342824	\$ 0.342823
32. Average Private Room Per Diem Charge (L 29 / L 3)	\$ 0.00	\$ 0.00
33. Average Semi-Private Room Per Diem Charge (L 30 / L 4)	\$ 2,751.08	\$ 2,751.08
34. Avg Per Diem Prvt Room Charge Differential (L 32 minus L 33)	\$ 0.00	\$ 0.00
35. Average Per Diem Private Room Cost Differential (L 31 x L 34)	\$ 0.00	\$ 0.00
36. Private Room Cost Differential Adjustment (L 35 x L 3)	\$ 0	\$ 0
37. Inpatient Rout Cost Net of Swing-Bed & Prvt Rm (L 27 minus L 36)	\$ 122,910,447	\$ 122,910,094

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 / L 2)	\$ 943.14	\$ 943.13
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 24,662,168	\$ 16,956,534
40. Cost Applicable to Medi-Cal (Contract Sch 4A)	\$ 11,231,790	\$ 20,998,685
41. Cost Applicable to Medi-Cal (Contract Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39, 40 & 41)	\$ 35,893,958	\$ 37,955,219

(To Contract Sch 3)

**COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST**

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
HSC30077G

SPECIAL CARE AND/OR NURSERY UNITS	REPORTED	AUDITED
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 33, Col 27)	\$ 3,441,151	\$ 3,441,149
2. Total Inpatient Days (Adj)	7,861	7,861
3. Average Per Diem Cost	\$ 437.75	\$ 437.75
4. Medi-Cal Inpatient Days (Adj 7)	2,819	2,509
5. Cost Applicable to Medi-Cal	\$ 1,234,017	\$ 1,098,315
INTENSIVE CARE UNIT		
6. Total Inpatient Routine Cost (Sch 8, Line 26, Col 27)	\$ 35,477,853	\$ 35,477,818
7. Total Inpatient Days (Adj)	16,591	16,591
8. Average Per Diem Cost	\$ 2,138.38	\$ 2,138.38
9. Medi-Cal Inpatient Days (Adj 7)	3,065	7,747
10. Cost Applicable to Medi-Cal	\$ 6,554,135	\$ 16,566,030
CORONARY CARE UNIT		
11. Total Inpatient Routine Cost (Sch 8, Line 27, Col 27)	\$ 0	\$ 0
12. Total Inpatient Days (Adj)	0	0
13. Average Per Diem Cost	\$ 0.00	\$ 0.00
14. Medi-Cal Inpatient Days (Adj)	0	0
15. Cost Applicable to Medi-Cal	\$ 0	\$ 0
NEONATAL INTENSIVE CARE UNIT		
16. Total Inpatient Routine Cost (Sch 8, Line 30, Col 27)	\$ 7,253,650	\$ 7,253,646
17. Total Inpatient Days (Adj)	4,712	4,712
18. Average Per Diem Cost	\$ 1,539.40	\$ 1,539.40
19. Medi-Cal Inpatient Days (Adj 7)	2,237	2,166
20. Cost Applicable to Medi-Cal	\$ 3,443,638	\$ 3,334,340
SURGICAL INTENSIVE CARE UNIT		
21. Total Inpatient Routine Cost (Sch 8, Line 29, Col 27)	\$ 0	\$ 0
22. Total Inpatient Days (Adj)	0	0
23. Average Per Diem Cost	\$ 0.00	\$ 0.00
24. Medi-Cal Inpatient Days (Adj)	0	0
25. Cost Applicable to Medi-Cal	\$ 0	\$ 0
26. Total Inpatient Routine Cost (Sch 8, Line___ , Col 27)	\$ 0	\$ 0
27. Total Inpatient Days (Adj)	0	0
28. Average Per Diem Cost	\$ 0.00	\$ 0.00
29. Medi-Cal Inpatient Days (Adj)	0	0
30. Cost Applicable to Medi-Cal	\$ 0	\$ 0
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	\$ 11,231,790	\$ 20,998,685

(To Contract Sch 4)

**COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST**

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
HSC30077G

SPECIAL CARE UNITS	REPORTED	AUDITED
1. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
2. Total Inpatient Days (Adj)	0	0
3. Average Per Diem Cost	\$ 0.00	\$ 0.00
4. Medi-Cal Inpatient Days (Adj)	0	0
5. Cost Applicable to Medi-Cal	\$ 0	\$ 0
6. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
7. Total Inpatient Days (Adj)	0	0
8. Average Per Diem Cost	\$ 0.00	\$ 0.00
9. Medi-Cal Inpatient Days (Adj)	0	0
10. Cost Applicable to Medi-Cal	\$ 0	\$ 0
11. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
12. Total Inpatient Days (Adj)	0	0
13. Average Per Diem Cost	\$ 0.00	\$ 0.00
14. Medi-Cal Inpatient Days (Adj)	0	0
15. Cost Applicable to Medi-Cal	\$ 0	\$ 0
16. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
17. Total Inpatient Days (Adj)	0	0
18. Average Per Diem Cost	\$ 0.00	\$ 0.00
19. Medi-Cal Inpatient Days (Adj)	0	0
20. Cost Applicable to Medi-Cal	\$ 0	\$ 0
21. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
22. Total Inpatient Days (Adj)	0	0
23. Average Per Diem Cost	\$ 0.00	\$ 0.00
24. Medi-Cal Inpatient Days (Adj)	0	0
25. Cost Applicable to Medi-Cal	\$ 0	\$ 0
26. Total Inpatient Routine Cost (Sch 8, Line ____, Col 27)	\$ 0	\$ 0
27. Total Inpatient Days (Adj)	0	0
28. Average Per Diem Cost	\$ 0.00	\$ 0.00
29. Medi-Cal Inpatient Days (Adj)	0	0
30. Cost Applicable to Medi-Cal	\$ 0	\$ 0
31. Medi-Cal Routine Cost (Sum of Lines 5,10,15,20,25,30)	\$ 0	\$ 0

(To Contract Sch 4)

ADJUSTMENTS TO MEDI-CAL CHARGES

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

Provider No:
HSC30077G

ANCILLARY CHARGES		REPORTED	ADJUSTMENTS (Adj 8)	AUDITED
37.00	Operating Room	\$ 35,912,456	\$ (9,214,659)	\$ 26,697,797
38.00	Recovery Room			0
39.00	Delivery Room and Labor Room	7,012,378	(2,945,745)	4,066,633
40.00	Anesthesiology			0
41.00	Radiology-Diagnostic	17,233,519	(4,332,689)	12,900,830
41.01				0
41.02				0
42.00	Radiology-Therapeutic			0
43.00	Radioisotope	815,470	(133,241)	682,229
44.00	Laboratory	16,010,356	(1,909,301)	14,101,055
44.01	Laboratory-Pathological	568,313	(502,745)	65,568
46.00	Whole Blood and Packed Red Blood Cells	998,925	(94,296)	904,629
47.00	Blood Storing and Processing			0
48.00	Intravenous Therapy			0
49.00	Respiratory Therapy	10,606,193	(3,873,944)	6,732,249
50.00	Physical Therapy	1,918,660	(587,521)	1,331,139
51.00	Occupational Therapy	1,206,950	(155,680)	1,051,270
53.00	Electrocardiology	4,695,106	(3,857,685)	837,421
53.01	Cardiac Rehab			0
53.02	Cardiac Catheterization Laboratory	8,274,747	2,406,305	10,681,052
54.00	Electroencephalography	68,512	(20,255)	48,257
55.00	Medical Supplies Charged to Patients	7,617,287	11,407,311	19,024,598
56.00	Drugs Charged to Patients	31,904,791	(3,343,410)	28,561,381
57.00	Renal Dialysis	3,176,828	(849,851)	2,326,977
59.00	Endoscopy	1,206,431	(1,075,696)	130,735
59.01	Sleep Disorders			0
59.02	Lithotripsy			0
59.03				0
60.00	Clinic	3,951	(3,951)	0
60.01	Other Clinic Services			0
61.00	Emergency	13,744,535	(5,145,202)	8,599,333
61.01	Behavioral Health O/P			0
62.00	Observation Beds			0
82.00				0
83.00				0
84.00				0
85.00				0
86.00				0
TOTAL MEDI-CAL ANCILLARY CHARGES		\$ 162,975,408	\$ (24,232,255)	\$ 138,743,153

(To Contract Sch 5)

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.1

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

TRIAL BALANCE EXPENSES	4.08	EMPLOYEE BENEFITS 5.00	6.01	6.02	6.03	6.04	6.05	6.06	6.07	6.08	ACCUMULATE COST	ADMINISTRATIVE & GENERAL 6.00	
												TRATIVE	GENERAL
ANCILLARY COST CENTERS													
37.00 Operating Room	0	3,831,542	0	0	0	0	0	0	0	0	51,927,307	7,947,186	0
38.00 Recovery Room	0	0	0	0	0	0	0	0	0	0	0	0	0
39.00 Delivery Room and Labor Room	0	1,697,296	0	0	0	0	0	0	0	0	9,568,515	1,464,408	0
40.00 Anesthesiology	0	0	0	0	0	0	0	0	0	0	0	0	0
41.00 Radiology-Diagnostic	0	3,506,446	0	0	0	0	0	0	0	0	22,531,228	3,448,279	0
41.01	0	0	0	0	0	0	0	0	0	0	0	0	0
41.02	0	0	0	0	0	0	0	0	0	0	0	0	0
42.00 Radiology-Therapeutic	0	0	0	0	0	0	0	0	0	0	0	0	0
43.00 Radioscope	0	171,742	0	0	0	0	0	0	0	0	1,353,622	207,164	0
44.00 Laboratory	0	2,213,988	0	0	0	0	0	0	0	0	14,280,241	2,185,512	0
44.01 Laboratory-Pathological	0	90,753	0	0	0	0	0	0	0	0	1,293,840	198,015	0
46.00 Whole Blood and Packed Red Blood Cells	0	0	0	0	0	0	0	0	0	0	3,519,158	538,588	0
47.00 Blood Storing and Processing	0	0	0	0	0	0	0	0	0	0	0	0	0
48.00 Intravenous Therapy	0	0	0	0	0	0	0	0	0	0	0	0	0
49.00 Respiratory Therapy	0	1,282,126	0	0	0	0	0	0	0	0	6,759,017	1,034,430	0
50.00 Physical Therapy	0	1,047,069	0	0	0	0	0	0	0	0	5,804,105	888,286	0
51.00 Occupational Therapy	0	357,970	0	0	0	0	0	0	0	0	1,848,194	282,856	0
53.00 Electrocardiology	0	526,750	0	0	0	0	0	0	0	0	2,720,705	416,389	0
53.01 Cardiac Rehab	0	27,219	0	0	0	0	0	0	0	0	143,126	21,905	0
53.02 Cardiac Catheterization Laboratory	0	677,970	0	0	0	0	0	0	0	0	9,161,809	1,402,164	0
54.00 Electroencephalography	0	24,695	0	0	0	0	0	0	0	0	180,569	27,635	0
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	0	0	7,060,750	1,080,609	0
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	0	0	14,765,968	2,259,849	0
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0	0	2,539,250	388,618	0
59.00 Endoscopy	0	486,931	0	0	0	0	0	0	0	0	3,319,939	508,098	0
59.01 Sleep Disorders	0	79,038	0	0	0	0	0	0	0	0	519,606	79,523	0
59.02 Lithotripsy	0	0	0	0	0	0	0	0	0	0	26,600	4,071	0
59.03	0	0	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	0	716,508	0	0	0	0	0	0	0	0	3,885,863	594,710	0
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0	0	0	0	0
61.00 Emergency	0	4,039,926	0	0	0	0	0	0	0	0	22,174,460	3,393,678	0
61.01 Behavioral Health O/P	0	971,616	0	0	0	0	0	0	0	0	6,055,597	926,775	0
62.00 Observation Beds	0	0	0	0	0	0	0	0	0	0	0	0	0
82.00	0	0	0	0	0	0	0	0	0	0	0	0	0
83.00	0	0	0	0	0	0	0	0	0	0	0	0	0
84.00	0	0	0	0	0	0	0	0	0	0	0	0	0
85.00	0	0	0	0	0	0	0	0	0	0	0	0	0
86.00	0	0	0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE COST CENTER													
96.00 Gift, Flower, Coffee Shop and Canteen	0	37,518	0	0	0	0	0	0	0	0	531,564	81,353	0
97.00 Research	0	5,867	0	0	0	0	0	0	0	0	292,847	44,819	0
98.00 Physicians' Private Offices	0	0	0	0	0	0	0	0	0	0	0	0	0
100.00 WIC	0	210,708	0	0	0	0	0	0	0	0	1,483,040	226,971	0
100.01 PHP Meals	0	0	0	0	0	0	0	0	0	0	0	0	0
100.02 Cardiac Exercise	0	46,051	0	0	0	0	0	0	0	0	242,136	37,058	0
100.03 Scripps Mercy Physician Partners (SMPP) Service	0	0	0	0	0	0	0	0	0	0	33,321	5,100	0
100.04 Communications and Marketing	0	159,129	0	0	0	0	0	0	0	0	1,380,655	211,302	0
100.05 Community Health and Advocacy	0	161,781	0	0	0	0	0	0	0	0	535,811	82,003	0
100.06 ASC (Freestanding)	0	539,964	0	0	0	0	0	0	0	0	6,582,713	1,007,448	0
100.07 AHEC	0	0	0	0	0	0	0	0	0	0	683,094	106,074	0
100.08 Home Educational Services	0	638	0	0	0	0	0	0	0	0	4,804	735	0
100.09 Patient Telephones/Televisions	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	57,581,391	0	0	0	0	0	0	0	0	452,801,351	60,100,662	0

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.2

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

TRIAL BALANCE EXPENSES

	MAINT & REPAIRS 7.00	OPER PLANT 8.00	LAUNDRY & LINEN 9.00	HOUSEKEEP 10.00	DIETARY 11.00	CAFE 12.00	MAINT OF PERSONNEL 13.00	NURSING ADMIN 14.00	CENTRAL SERVICE & SUPPLY 15.00	PHARMACY 16.00	MEDICAL RECORDS & LIBRARY 17.00	SOCIAL SERVICE 18.00
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ANCILLARY COST CENTERS

37.00	1,715,836	163,621	513,655	848,139	31,205	180,328	0	546,615	1,169,413	115,191	2,088,355	0
38.00	0	0	0	0	0	0	0	0	0	0	0	0
39.00	900,833	85,903	118,096	445,283	17,906	68,013	0	340,333	29,951	9,712	101,436	0
40.00	0	0	0	0	0	0	0	0	0	0	0	0
41.00	1,451,868	138,449	94,854	717,659	179	188,839	0	56,745	130,158	525,194	846,374	0
41.01	0	0	0	0	0	0	0	0	0	0	0	0
41.02	0	0	0	0	0	0	0	0	0	0	0	0
42.00	0	0	0	0	0	0	0	0	0	0	0	0
43.00	87,903	8,382	22,549	43,451	0	6,485	0	0	14,199	0	41,341	0
44.00	604,528	57,647	9,302	298,818	0	122,427	0	2,751	144,426	257	493,414	0
44.01	143,987	13,730	365	71,173	0	6,935	0	0	1,872	0	26,955	0
46.00	0	0	0	0	0	0	0	0	134,894	0	27,960	0
47.00	0	0	0	0	0	0	0	0	0	0	0	0
48.00	0	0	0	0	0	0	0	0	0	0	0	0
49.00	75,598	7,209	225	37,368	0	70,538	0	38	33,311	882	275,680	0
50.00	612,774	58,434	30,786	302,895	0	53,514	0	0	2,130	32	98,567	0
51.00	24,868	2,371	0	12,292	0	17,000	0	0	1,420	0	39,372	0
53.00	222,175	21,187	2,048	109,821	0	27,516	0	5,647	1,170	0	194,476	0
53.01	15,931	1,519	0	7,875	0	1,126	0	11,581	21	0	646	0
53.02	373,458	35,613	60,377	184,601	0	23,023	0	41,406	390,941	104,777	500,802	0
54.00	60,315	5,752	0	29,814	0	1,731	0	0	118	0	3,483	0
55.00	0	0	0	0	0	0	0	0	68,534	12,267	234,645	0
56.00	0	0	0	0	0	0	0	0	15,104	11,097,982	839,134	0
57.00	0	0	0	0	0	0	0	0	0	0	61,493	0
59.00	148,865	14,196	28,127	73,584	0	22,299	0	72,489	32,744	5,361	88,610	0
59.01	82,808	7,897	0	40,932	38	5,441	0	0	758	0	22,112	0
59.02	0	0	81	0	0	0	0	0	0	0	915	0
59.03	0	0	0	0	0	0	0	0	0	0	0	0
60.00	333,911	31,842	106	165,052	0	38,968	0	90,415	2,071	1,339	24,748	0
60.01	0	0	0	0	0	0	0	0	0	0	0	0
61.00	1,080,698	103,055	295,384	534,190	106,210	192,621	0	828,580	75,138	14,430	790,662	0
61.01	1,523,365	145,267	0	753,000	0	56,655	0	44,214	88	15	121,806	0
62.00	0	0	0	0	0	0	0	0	0	0	0	0
82.00	0	0	0	0	0	0	0	0	0	0	0	0
83.00	0	0	0	0	0	0	0	0	0	0	0	0
84.00	0	0	0	0	0	0	0	0	0	0	0	0
85.00	0	0	0	0	0	0	0	0	0	0	0	0
86.00	0	0	0	0	0	0	0	0	0	0	0	0

NONREIMBURSABLE COST CENTER

96.00	62,085	5,920	0	30,689	0	3,082	0	0	0	0	0	0
97.00	0	0	145	0	0	320	0	101	4,408	0	0	0
98.00	0	0	0	0	1,802,490	0	0	0	0	0	0	0
100.00	35,705	3,405	0	17,649	0	17,131	0	0	34	0	0	0
100.01	0	0	0	0	488,451	0	0	0	0	0	0	0
100.02	26,941	2,569	0	13,317	0	1,909	0	0	36	0	0	0
100.03	32,726	3,121	0	16,177	0	0	0	0	0	0	0	0
100.04	0	0	0	0	0	7,386	0	0	0	0	0	0
100.05	0	0	0	0	0	9,958	0	0	0	0	0	0
100.06	529,620	50,504	50,430	261,792	0	1,067	0	53	79,442	181,797	0	0
100.07	104,396	9,955	0	51,603	0	119	0	0	0	0	0	0
100.08	0	0	0	0	0	24	0	0	0	0	0	0
100.09	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	20,659,328	1,968,144	2,552,863	10,062,449	7,258,725	2,507,099	0	6,546,707	2,532,546	12,109,420	9,791,941	0

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.3

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

TRIAL BALANCE EXPENSES

ANCILLARY COST CENTERS

	19.00	19.02	19.03	NON- PHYSICIAN ANESTH 20.00	NURSING SCHOOL 21.00	INT & RES SALARY & FRINGES 22.00	INT & RES PROGRAM 23.00	PARAMED EDUCAT 24.00	SUBTOTAL	POST STEP-DOWN ADJUSTMENT (Adj 1) 26.00	TOTAL COST 27.00
37.00 Operating Room	0	0	0	0	0	1,034,016	629,726	3,040	68,913,631	0	68,913,631
38.00 Recovery Room	0	0	0	0	0	0	0	0	0	0	0
39.00 Delivery Room and Labor Room	0	0	0	0	0	57,735	35,161	256	13,243,541	0	13,243,541
40.00 Anesthesiology	0	0	0	0	0	0	0	0	0	0	0
41.00 Radiology-Diagnostic	0	0	0	0	0	30,656	18,670	13,858	30,193,011	0	30,193,011
41.01	0	0	0	0	0	0	0	0	0	0	0
41.02	0	0	0	0	0	0	0	0	0	0	0
42.00 Radiology-Therapeutic	0	0	0	0	0	0	0	0	0	0	0
43.00 Radioisotope	0	0	0	0	0	0	0	0	1,785,096	0	1,785,096
44.00 Laboratory	0	0	0	0	0	0	0	7	18,199,331	0	18,199,331
44.01 Laboratory-Pathological	0	0	0	0	0	122,623	74,678	0	1,954,172	0	1,954,172
46.00 Whole Blood and Packed Red Blood Cells	0	0	0	0	0	0	0	0	4,220,600	0	4,220,600
47.00 Blood Storing and Processing	0	0	0	0	0	0	0	0	0	0	0
48.00 Intravenous Therapy	0	0	0	0	0	0	0	0	0	0	0
49.00 Respiratory Therapy	0	0	0	0	0	0	0	0	8,294,320	0	8,294,320
50.00 Physical Therapy	0	0	0	0	0	0	0	1	7,851,523	0	7,851,523
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	2,228,374	0	2,228,374
53.00 Electrocardiology	0	0	0	0	0	331,081	201,632	0	4,253,848	0	4,253,848
53.01 Cardiac Rehab	0	0	0	0	0	0	0	0	203,730	0	203,730
53.02 Cardiac Catheterization Laboratory	0	0	0	0	0	55,180	33,605	2,765	12,370,521	0	12,370,521
54.00 Electroencephalography	0	0	0	0	0	0	0	0	309,415	0	309,415
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	6,131	3,734	324	8,466,993	0	8,466,993
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	292,840	29,270,878	0	29,270,878
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	2,989,361	0	2,989,361
59.00 Endoscopy	0	0	0	0	0	0	0	141	4,314,454	0	4,314,454
59.01 Sleep Disorders	0	0	0	0	0	0	0	0	759,116	0	759,116
59.02 Lithotripsy	0	0	0	0	0	0	0	0	31,667	0	31,667
59.03	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	0	0	0	0	0	943,071	574,339	35	6,699,653	0	6,699,653
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0	0	0
61.00 Emergency	0	0	0	0	0	282,748	172,196	381	30,044,431	0	30,044,431
61.01 Behavioral Health O/P	0	0	0	0	0	0	0	0	9,626,782	0	9,626,782
62.00 Observation Beds	0	0	0	0	0	0	0	0	0	0	0
82.00	0	0	0	0	0	0	0	0	0	0	0
83.00	0	0	0	0	0	0	0	0	0	0	0
84.00	0	0	0	0	0	0	0	0	0	0	0
85.00	0	0	0	0	0	0	0	0	0	0	0
86.00	0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE COST CENTER											
96.00 Gift, Flower, Coffee Shop and Canteen	0	0	0	0	0	0	0	0	714,693	0	714,693
97.00 Research	0	0	0	0	0	0	0	0	342,640	0	342,640
98.00 Physicians' Private Offices	0	0	0	0	0	0	0	0	1,802,490	0	1,802,490
100.00 WIC	0	0	0	0	0	0	0	0	1,783,935	0	1,783,935
100.01 PHP Meals	0	0	0	0	0	0	0	0	488,451	0	488,451
100.02 Cardiac Exercise	0	0	0	0	0	0	0	0	323,965	0	323,965
100.03 Scripps Mercy Physician Partners (SMPP) Service	0	0	0	0	0	0	0	0	90,444	0	90,444
100.04 Communications and Marketing	0	0	0	0	0	0	0	0	1,599,342	0	1,599,342
100.05 Community Health and Advocacy	0	0	0	0	0	0	0	0	627,772	0	627,772
100.06 ASC (Freestanding)	0	0	0	0	0	0	0	4,797	8,749,662	0	8,749,662
100.07 AHEC	0	0	0	0	0	0	0	0	965,241	0	965,241
100.08 Home Educational Services	0	0	0	0	0	0	0	0	5,563	0	5,563
100.09 Patient Telephones/Televisions	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	5,885,889	3,584,563	319,529	452,801,351	0	452,801,351

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (W/S B-1)

SCHEDULE 9.1

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

	EMIP BENE (GROSS SALARIES) 5.00	6.01	6.02	6.03	6.04	6.05	6.06	6.07	6.08	ADM & GEN (ACCU COST) 6.00	MAINT & REPAIRS (SQ FT) 7.00
ANCILLARY COST CENTERS											
37.00	Operating Room	13,189,819								51,927,307	39,742
38.00	Recovery Room									0	
39.00	Delivery Room and Labor Room	5,842,823								9,568,515	20,865
40.00	Anesthesiology									0	
41.00	Radiology-Diagnostic	12,070,697								22,531,228	33,628
41.01										0	
41.02										0	
42.00	Radiology-Therapeutic									0	
43.00	Radioisotope	591,209								1,353,622	2,036
44.00	Laboratory	7,621,502								14,280,241	14,002
44.01	Laboratory-Pathological	312,411								1,293,840	3,335
46.00	Whole Blood and Packed Red Blood Cells									0	
47.00	Blood Storing and Processing									0	
48.00	Intravenous Therapy									0	
49.00	Respiratory Therapy	4,413,629								6,759,017	1,751
50.00	Physical Therapy	3,604,464								5,804,105	14,193
51.00	Occupational Therapy	1,232,286								1,848,194	576
53.00	Electrocardiology	1,813,299								2,720,705	5,146
53.01	Cardiac Rehab	93,699								143,126	369
53.02	Cardiac Catheterization Laboratory	2,333,864								9,161,809	8,650
54.00	Electroencephalography	85,012								180,569	1,397
55.00	Medical Supplies Charged to Patients									7,060,750	
56.00	Drugs Charged to Patients									14,765,968	
57.00	Renal Dialysis									2,539,250	
59.00	Endoscopy	1,676,227								3,319,939	3,448
59.01	Sleep Disorders	272,084								519,606	1,918
59.02	Lithotripsy									26,600	
59.03										0	
60.00	Clinic	2,466,528								3,885,863	7,734
60.01	Other Clinic Services									0	
61.00	Emergency	13,907,164								22,174,460	25,031
61.01	Behavioral Health O/P	3,344,720								6,055,597	35,284
62.00	Observation Beds									0	
82.00										0	
83.00										0	
84.00										0	
85.00										0	
86.00										0	
NONREIMBURSABLE COST CENTERS											
96.00	Gift, Flower, Coffee Shop and Canteen	129,152								531,564	1,438
97.00	Research	20,198								292,847	
98.00	Physicians' Private Offices									0	
100.00	WIC	725,349								1,483,040	827
100.01	PHP Meals									0	
100.02	Cardiac Exercise	158,528								242,136	624
100.03	Scripps Mercy Physician Partners (SMPP) Services									33,321	758
100.04	Communications and Marketing	547,791								1,380,655	
100.05	Community Health and Advocacy	556,920								535,811	
100.06	ASC (Freestanding)	1,858,787								6,582,713	12,267
100.07	AHEC									693,094	2,418
100.08	Home Educational Services	2,195								4,804	
100.09	Patient Telephones/Televisions									0	
TOTAL		196,219,952	0	0	0	0	0	0	0	392,700,689	478,509
	COST TO BE ALLOCATED	57,581,391	0	0	0	0	0	0	0	60,100,662	20,659,328
	UNIT COST MULTIPLIER - SCH 8	0.290492	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.153044	43.174377

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (W/S B-1)

SCHEDULE 9.2

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

	OPER PLANT (SQ FT)	LAUNDRY & LINEN (LB LNDRY)	HOUSE-KEEPING (SQ FT)	DIETARY (MEALS SERVED)	CAFETERIA (PROD FTEs x 100)	MAINT OF PERSONNEL (# HOUSED)	NURSING ADMIN (NURSE HR)	CENT SERV & SUPPLY (CST REQ)	PHARMACY (COSTS REQUIS)	MED REC (GROSS PT REV)	SOC SERV (TIME SPENT)
GENERAL SERVICE COST CENTERS											
1.00											
2.00											
3.00											
4.00											
4.01											
4.02											
4.03											
4.04											
4.05											
4.06											
4.07											
4.08											
5.00											
6.01											
6.02											
6.03											
6.04											
6.05											
6.06											
6.07											
6.08											
7.00											
8.00											
9.00											
10.00											
11.00	6,538	209,044									
12.00	13,789	21,855	13,789								
13.00	3,772	15,365	3,772								
14.00	3,923		3,923		3,509						
15.00	7,267	642	7,267		2,706						
16.00	3,827	149	3,827		7,450						
17.00	6,277		6,277		5,951			330			
18.00											
19.00											
19.02											
19.03											
20.00											
21.00											
22.00											
23.00	5,250		5,250		7,730						
24.00	404		404		1,189			1,223			
25.00	154,026	983,507	154,026	329,689	66,671		1,050,271	3,119,553	36,176	362,334,446	
26.00	29,923	201,389	29,923	45,255	15,825		262,674	1,819,481	16,111	130,212,315	
27.00											
30.00	4,611	19,246	4,611		3,286		85,734	192,488	193	18,394,122	
31.00											
32.00											
33.00											
34.00	999	31,883	999		2,042		34,241	85,524	131	7,991,995	
35.00											
36.00											
36.01											
36.02											

19.00

18.00

17.00

16.00

15.00

14.00

13.00

12.00

11.00

10.00

9.00

8.00

7.00

6.00

5.00

4.00

3.00

2.00

1.00

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (W/S B-1)

SCHEDULE 9.2

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

	OPER PLANT (SQ FT) 8.00	LAUNDRY & LINEN (LB LNDRY) 9.00	HOUSE-KEEPING (SQ FT) 10.00	DIETARY (MEALS SERVED) 11.00	CAFETERIA (PROD FTEs x 100) 12.00	MAINT OF PERSONNEL (# HOUSED) 13.00	NURSING ADMIN (NURSE HR) 14.00	CENT SERV & SUPPLY (CST REQ) 15.00	PHARMACY (COSTS REQUIS) 16.00	MED REC (GROSS PT REV) 17.00	SOC SERV (TIME SPENT) 18.00	19.00
ANCILLARY COST CENTERS												
37.00	39,742	574,350	39,742	2,438	15,211		173,835	30,487,899	150,808	377,738,985		
38.00												
39.00	20,865	132,051	20,865	1,399	5,737		108,233	780,855	12,715	18,347,590		
40.00												
41.00	33,628	106,062	33,628	14	15,929		18,046	3,393,359	687,587	153,091,097		19.00
41.01												
41.02												
42.00	2,036	25,213	2,036		547			370,177		7,477,797		
43.00	14,002	10,401	14,002		10,327		875	3,765,335	337	89,248,136		
44.00	3,335	408	3,335		585			48,797		4,875,574		
44.01												
46.00								3,516,842		5,057,425		
47.00												
48.00												
49.00	1,751	252	1,751		5,950		12	868,447	1,155	49,864,616		
50.00	14,193	34,424	14,193		4,514			55,543	42	17,828,622		
51.00	576		576		1,434		1,796	37,012		7,121,505		
53.00	5,146	2,290	5,146		2,321		3,683	30,513		35,176,635		
53.01	369		369		95		13,168	549		116,806		
53.02	8,650	67,511	8,650		1,942			10,192,268	137,174	90,584,505		
54.00	1,397		1,397		146			3,077		629,998		
55.00								1,786,746	16,060	42,442,306		
56.00								393,780	14,529,536	151,781,458		
57.00										11,122,741		
59.00	3,448	31,451	3,448		1,881		23,053	853,667	7,018	16,027,716		
59.01	1,918		1,918	3	459			19,767		3,999,561		
59.02		91								165,527		
59.03												
60.00	7,734	119	7,734	1,030	3,287		28,754	53,994	1,753	4,476,405		
60.01												
61.00	25,031	330,288	25,031	8,298	16,248		263,506	1,958,940	18,892	143,013,889		
61.01	35,284		35,284		4,779		14,061	2,293	19	22,032,086		
62.00												
82.00												
83.00												
84.00												
85.00												
86.00												
NONREIMBURSABLE COST CENTERS												
96.00	1,438		1,438		260							
97.00		162			27		32	114,924				
98.00				140,826								
100.00	827		827		1,445			884				
100.01				38,162								
100.02	624		624		161			928				
100.03	758		758									
100.04					623							
100.05					840							
100.06	12,267	56,389	12,267		90		17	2,071,133	238,009			
100.07	2,418		2,418		10							
100.08					2							
100.09												
TOTAL	478,043	2,854,542	471,505	567,114	211,479	0	2,081,991	66,026,328	15,853,716	1,771,153,858	0	0
COST TO BE ALLOCATED	1,968,144	2,552,883	10,062,449	7,258,725	2,507,099	0	6,546,707	2,532,546	12,109,420	9,791,941	0	0
UNIT COST MULTIPLIER - SCH 8	4,117,085	0,894,323	21,341,129	12,799,411	11,855,074	0.000000	3,144,446	0.038357	0.763822	0.005529	0.000000	0.000000

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

NONPHY ANESTH (ASG TIME)	NURSE SCHOOL (ASG TIME)	I&R-SAL & FRINGES (ASG TIME)	I&R-PRG COST (ASG TIME)	PARAMED EDUCAT (COST REQ)
20.00	21.00	22.00	23.00	24.00

19.02 19.03

GENERAL SERVICE COST CENTERS

- 1.00 Old Cap Rel Costs-Bldg & Fixtures
- 2.00 Old Cap Rel Costs-Movable Equipment
- 3.00 New Cap Rel Costs-Bldg & Fixtures
- 4.00 New Cap Rel Costs-Movable Equipment
- 4.01
- 4.02
- 4.03
- 4.04
- 4.05
- 4.06
- 4.07
- 4.08

- 5.00 Employee Benefits
- 6.01 Non-Patient Telephones
- 6.02 Data Processing
- 6.03 Purchasing/Receiving
- 6.04 Patient Admitting
- 6.05 Patient Business Office
- 6.06
- 6.07
- 6.08

- 7.00 Administrative and General
- 8.00 Maintenance and Repairs
- 9.00 Operation of Plant
- 10.00 Laundry and Linen Service
- 11.00 Housekeeping
- 12.00 Dietary
- 13.00 Cafeteria
- 14.00 Maintenance of Personnel
- 15.00 Nursing Administration
- 16.00 Central Services and Supply
- 17.00 Pharmacy
- 18.00 Medical Records and Library
- 19.00 Social Service
- 19.01
- 19.02
- 19.03
- 20.00

- 21.00 Nursing School
- 22.00 I&R Service-Salary and Fringes Approved
- 23.00 I&R Service-Other Program Costs Approved
- 24.00 Paramedical Ed Program

INPATIENT ROUTINE COST CENTERS

- 25.00 Adults and Pediatrics (Gen Routine)
- 26.00 Intensive Care Unit
- 27.00 Coronary Care Unit
- 30.00 Neonatal Intensive Care Unit

- 31.00 Subprovider
- 32.00
- 33.00 Nursery
- 34.00 Medicare Certified Nursing Facility
- 35.00 Distinct Part Nursing Facility
- 36.00 Adult Subacute Care Unit
- 36.01 Subacute Care Unit II
- 36.02 Transitional Care Unit

22,605	22,605	22,605	22,605	36,176
6,015	6,015	6,015	6,015	16,111
900	900	900	900	193

131

60

60

60

60

60

60

60

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60

60

60

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

	19.02	19.03	NONPHY ANESTH (ASG TIME) 20.00	NURSE SCHOOL (ASG TIME) 21.00	I&R-SAL & FRINGES (ASG TIME) 22.00	I&R-PRG COST (ASG TIME) 23.00	PARAMED EDUCAT (COST REQ) 24.00
ANCILLARY COST CENTERS							
37.00 Operating Room					10,119	10,119	150,808
38.00 Recovery Room							
39.00 Delivery Room and Labor Room					565	565	12,715
40.00 Anesthesiology					300	300	687,587
41.00 Radiology-Diagnostic							
41.01							
41.02							
42.00 Radiology-Therapeutic							
43.00 Radioisotope							
44.00 Laboratory					1,200	1,200	337
44.01 Laboratory-Pathological							
46.00 Whole Blood and Packed Red Blood Cells							
47.00 Blood Storing and Processing							
48.00 Intravenous Therapy							
49.00 Respiratory Therapy							
50.00 Physical Therapy							
51.00 Occupational Therapy							
53.00 Electrocardiology					3,240	3,240	1,155
53.01 Cardiac Rehab							42
53.02 Cardiac Catheterization Laboratory					540	540	137,174
54.00 Electroencephalography							
55.00 Medical Supplies Charged to Patients					60	60	16,060
56.00 Drugs Charged to Patients							14,529,536
57.00 Renal Dialysis							
59.00 Endoscopy							
59.01 Sleep Disorders							
59.02 Lithotripsy							7,018
59.03							
60.00 Clinic					9,229	9,229	1,753
60.01 Other Clinic Services							
61.00 Emergency					2,767	2,767	18,892
61.01 Behavioral Health O/P							19
62.00 Observation Beds							
82.00							
83.00							
84.00							
85.00							
86.00							
NONREIMBURSABLE COST CENTERS							
96.00 Gift, Flower, Coffee Shop and Canteen							
97.00 Research							
98.00 Physicians' Private Offices							
100.00 WIC							
100.01 PHP Meals							
100.02 Cardiac Exercise							
100.03 Scripps Mercy Physician Partners (SMPP) Services							
100.04 Communications and Marketing							
100.05 Community Health and Advocacy							
100.06 ASC (Freestanding)							
100.07 AHEC							238,009
100.08 Home Educational Services							
100.09 Patient Telephones/Televisions							
TOTAL	0	0	0	0	57,600	57,600	15,853,716
COST TO BE ALLOCATED	0	0	0	0	5,885,889	3,584,563	319,529
UNIT COST MULTIPLIER - SCH 8	0.000000	0.000000	0.000000	0.000000	102.185590	62.231998	0.020155

TRIAL BALANCE OF EXPENSES

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	GENERAL SERVICE COST CENTERS			
1.00	Old Cap Rel Costs-Bldg & Fixtures	\$ 3,578,148	\$ 0	\$ 3,578,148
2.00	Old Cap Rel Costs-Movable Equipment	1,346,014	0	1,346,014
3.00	New Cap Rel Costs-Bldg & Fixtures	7,243,116	0	7,243,116
4.00	New Cap Rel Costs-Movable Equipment	13,434,153	0	13,434,153
4.01			0	0
4.02			0	0
4.03			0	0
4.04			0	0
4.05			0	0
4.06			0	0
4.07			0	0
4.08			0	0
5.00	Employee Benefits	57,331,375	0	57,331,375
6.01	Non-Patient Telephones		0	0
6.02	Data Processing		0	0
6.03	Purchasing/Receiving		0	0
6.04	Patient Admitting		0	0
6.05	Patient Business Office		0	0
6.06			0	0
6.07			0	0
6.08			0	0
6.00	Administrative and General	54,923,342	0	54,923,342
7.00	Maintenance and Repairs	15,685,923	0	15,685,923
8.00	Operation of Plant	1,353,520	0	1,353,520
9.00	Laundry and Linen Service	2,214,037	0	2,214,037
10.00	Housekeeping	6,724,780	0	6,724,780
11.00	Dietary	4,143,636	0	4,143,636
12.00	Cafeteria	1,325,925	0	1,325,925
13.00	Maintenance of Personnel		0	0
14.00	Nursing Administration	4,158,914	0	4,158,914
15.00	Central Services and Supply	1,043,373	0	1,043,373
16.00	Pharmacy	8,243,475	0	8,243,475
17.00	Medical Records and Library	6,885,157	0	6,885,157
18.00	Social Service		0	0
19.00			0	0
19.02			0	0
19.03			0	0
20.00			0	0
21.00	Nursing School		0	0
22.00	I&R Service-Salary and Fringes Approved	3,949,781	0	3,949,781
23.00	I&R Service-Other Program Costs Approved	2,041,562	0	2,041,562
24.00	Paramedical Ed Program	217,251	0	217,251
	INPATIENT ROUTINE COST CENTERS			
25.00	Adults and Pediatrics (Gen Routine)	61,171,477	0	61,171,477
26.00	Intensive Care Unit	20,296,342	0	20,296,342
27.00	Coronary Care Unit		0	0
30.00	Neonatal Intensive Care Unit	4,156,558	0	4,156,558
			0	0
			0	0
31.00	Subprovider		0	0
32.00			0	0
33.00	Nursery	2,127,408	0	2,127,408
34.00	Medicare Certified Nursing Facility		0	0
35.00	Distinct Part Nursing Facility		0	0
36.00	Adult Subacute Care Unit		0	0
36.01	Subacute Care Unit II		0	0
36.02	Transitional Care Unit		0	0

TRIAL BALANCE OF EXPENSES

Provider Name:
SCRIPPS MERCY HOSPITAL

Fiscal Period Ended:
SEPTEMBER 30, 2008

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	ANCILLARY COST CENTERS			
37.00	Operating Room	\$ 46,237,500	\$ 0	\$ 46,237,500
38.00	Recovery Room		0	0
39.00	Delivery Room and Labor Room	6,895,609	0	6,895,609
40.00	Anesthesiology		0	0
41.00	Radiology-Diagnostic	17,452,397	0	17,452,397
41.01			0	0
41.02			0	0
42.00	Radiology-Therapeutic		0	0
43.00	Radioisotope	1,086,681	0	1,086,681
44.00	Laboratory	11,411,544	0	11,411,544
44.01	Laboratory-Pathological	1,047,148	0	1,047,148
46.00	Whole Blood and Packed Red Blood Cells	3,519,158	0	3,519,158
47.00	Blood Storing and Processing		0	0
48.00	Intravenous Therapy		0	0
49.00	Respiratory Therapy	5,395,018	0	5,395,018
50.00	Physical Therapy	4,093,396	0	4,093,396
51.00	Occupational Therapy	1,463,292	0	1,463,292
53.00	Electrocardiology	1,953,338	0	1,953,338
53.01	Cardiac Rehab	98,653	0	98,653
53.02	Cardiac Catheterization Laboratory	8,079,381	0	8,079,381
54.00	Electroencephalography	90,552	0	90,552
55.00	Medical Supplies Charged to Patients	7,060,750	0	7,060,750
56.00	Drugs Charged to Patients	14,765,968	0	14,765,968
57.00	Renal Dialysis	2,539,250	0	2,539,250
59.00	Endoscopy	2,671,785	0	2,671,785
59.01	Sleep Disorders	350,885	0	350,885
59.02	Lithotripsy	26,600	0	26,600
59.03			0	0
60.00	Clinic	2,807,727	0	2,807,727
60.01	Other Clinic Services		0	0
61.00	Emergency	16,964,130	0	16,964,130
61.01	Behavioral Health O/P	3,434,164	0	3,434,164
62.00	Observation Beds		0	0
82.00			0	0
83.00			0	0
84.00			0	0
85.00			0	0
86.00			0	0
	SUBTOTAL	\$ 443,040,193	\$ 0	\$ 443,040,193
	NONREIMBURSABLE COST CENTERS			
96.00	Gift, Flower, Coffee Shop and Canteen	426,808	0	426,808
97.00	Research	286,980	0	286,980
98.00	Physicians' Private Offices		0	0
100.00	WIC	1,233,663	0	1,233,663
100.01	PHP Meals		0	0
100.02	Cardiac Exercise	166,908	0	166,908
100.03	Scripps Mercy Physician Partners (SMPP) Services	(2,122)	0	(2,122)
100.04	Communications and Marketing	1,221,526	0	1,221,526
100.05	Community Health and Advocacy	374,030	0	374,030
100.06	ASC (Freestanding)	5,469,166	0	5,469,166
100.07	AHEC	580,033	0	580,033
100.08	Home Educational Services	4,166	0	4,166
100.09	Patient Telephones/Televisions		0	0
			0	0
100.99	SUBTOTAL	\$ 9,761,158	\$ 0	\$ 9,761,158
101	TOTAL	\$ 452,801,351	\$ 0	\$ 452,801,351

(To Schedule 8)

Provider Name:
SCRIPPS MERCY HOSPITAL

Page 1
Fiscal Period Ended:
SEPTEMBER 30, 2008

	TOTAL ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	
ANCILLARY COST CENTERS																				
37.00	0																			
38.00	0																			
39.00	0																			
40.00	0																			
41.00	0																			
41.01	0																			
41.02	0																			
42.00	0																			
43.00	0																			
44.00	0																			
44.01	0																			
46.00	0																			
47.00	0																			
48.00	0																			
49.00	0																			
50.00	0																			
51.00	0																			
53.00	0																			
53.01	0																			
53.02	0																			
54.00	0																			
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60.01	0																			
61.00	0																			
61.01	0																			
62.00	0																			
82.00	0																			
83.00	0																			
84.00	0																			
85.00	0																			
86.00	0																			
NONREIMBURSABLE COST CENTERS																				
96.00	0																			
97.00	0																			
98.00	0																			
100.00	0																			
100.01	0																			
100.02	0																			
100.03	0																			
100.04	0																			
100.05	0																			
100.06	0																			
100.07	0																			
100.08	0																			
100.09	0																			
101.00	\$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

(To Sch 10)

Provider Name		Fiscal Period		Provider Number, NPI		Adjustments		
SCRIPPS MERCY HOSPITAL		OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008		HSC30077G, 1659359446		11		
Report References								
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
ADJUSTMENT TO REPORTED COSTS								
1	8	B	I	25.00	26	(\$3,716,657)	\$3,716,657	\$0
	8	B	I	26.00	26	(988,971)	988,971	0
	8	B	I	30.00	26	(147,976)	147,976	0
	8	B	I	33.00	26	(9,865)	9,865	0
	8	B	I	37.00	26	(1,663,740)	1,663,740	0
	8	B	I	39.00	26	(92,896)	92,896	0
	8	B	I	41.00	26	(49,326)	49,326	0
	8	B	I	44.01	26	(197,301)	197,301	0
	8	B	I	53.00	26	(532,712)	532,712	0
	8	B	I	53.02	26	(88,785)	88,785	0
	8	B	I	55.00	26	(9,865)	9,865	0
	8	B	I	60.00	26	(1,517,409)	1,517,409	0
	8	B	I	61.00	26	(454,943)	454,943	0
<p>Adults and Pediatrics</p> <p>Intensive Care Unit</p> <p>Neonatal Intensive Care Unit</p> <p>Nursery</p> <p>Operating Room</p> <p>Delivery Room and Labor Room</p> <p>Radiology-Diagnostic</p> <p>Laboratory-Pathological</p> <p>Electrocardiology</p> <p>Cardiac Catheterization Laboratory</p> <p>Medical Supplies Charged to Patients</p> <p>Clinic</p> <p>Emergency</p> <p>To reverse the provider's interns and residents post step-down adjustment for proper cost determination. 42 CFR 413.20, 413.24, and 413.85 CMS Pub. 15-1, Sections 404, 2120, 2300, and 2304</p>								

Provider Name		Fiscal Period		Provider Number, NPI		Adjustments		
SCRIPPS MERCY HOSPITAL		OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008		HSC30077G, 1659359446		11		
Report References								
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA—NONCONTRACT								
2	4A	Not Reported				\$0.00	\$307.40	\$307.40
	4A	Not Reported				0	2,603	2,603
3	6	Not Reported				\$0	\$1,350	\$1,350
	6	Not Reported				0	345,727	345,727
	6	Not Reported				0	229,462	229,462
	6	Not Reported				0	297,351	297,351
	6	Not Reported				0	1,383,707	1,383,707
	6	Not Reported				0	2,257,597	2,257,597
4	2	Not Reported				\$0	\$6,676,503	\$6,676,503
	2	Not Reported				0	2,257,597	2,257,597
5	3	Not Reported				\$0	\$2,581	\$2,581
	3	Not Reported				0	17,297	17,297
6	1	Not Reported				\$0	\$1,359,951	\$1,359,951
Medi-Cal Average Administrative Day Rate Medi-Cal Administrative Days Medi-Cal Ancillary Charges—Radiology-Diagnostic Medi-Cal Ancillary Charges—Laboratory Medi-Cal Ancillary Charges—Physical Therapy Medi-Cal Ancillary Charges—Occupational Therapy Medi-Cal Ancillary Charges—Drugs Charged to Patients Medi-Cal Ancillary Charges—Total Medi-Cal Routine Service Charges Medi-Cal Ancillary Service Charges Medi-Cal Deductibles Medi-Cal Coinsurance Medi-Cal Interim Payments								
To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary payment data: NPI 1659359446 and Provider Number ZT30077G Service Period: October 1, 2007 through September 30, 2008 Payment Period: October 1, 2007 through January 15, 2010 Reports Dated: February 9, 2010 42 CFR 413.20, 413.24, 413.60, and 413.64 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408								

Provider Name		Fiscal Period		Provider Number, NPI		Adjustments				
SCRIPPS MERCY HOSPITAL		OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008		HSC30077G, 1659359446		11				
Report References										
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted		
			Part	Title	Line				Col.	
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA—CONTRACT										
7	Contract 4	D-1	I	XIX	9.00	1	Medi-Cal Days—Adults and Pediatrics	26,149	(8,170)	17,979
	Contract 4A	D-1	II	XIX	42.00	4	Medi-Cal Days—Nursery	2,819	(310)	2,509
	Contract 4A	D-1	II	XIX	43.00	4	Medi-Cal Days—Intensive Care Unit	3,065	4,682	7,747
	Contract 4A	D-1	II	XIX	47.00	4	Medi-Cal Days—Neonatal Intensive Care Unit	2,237	(71)	2,166
8	Contract 6	D-4	XIX	XIX	37.00	2	Medi-Cal Ancillary Charges—Operating Room	\$35,912,456	(\$9,214,659)	\$26,697,797
	Contract 6	D-4	XIX	XIX	39.00	2	Medi-Cal Ancillary Charges—Delivery Room and Labor Room	7,012,378	(2,945,745)	4,066,633
	Contract 6	D-4	XIX	XIX	41.00	2	Medi-Cal Ancillary Charges—Radiology-Diagnostic	17,233,519	(4,332,689)	12,900,830
	Contract 6	D-4	XIX	XIX	43.00	2	Medi-Cal Ancillary Charges—Radioisotope	815,470	(133,241)	682,229
	Contract 6	D-4	XIX	XIX	44.00	2	Medi-Cal Ancillary Charges—Laboratory	16,010,356	(1,909,301)	14,101,055
	Contract 6	D-4	XIX	XIX	44.01	2	Medi-Cal Ancillary Charges—Laboratory-Pathological	568,313	(502,745)	65,568
	Contract 6	D-4	XIX	XIX	46.00	2	Medi-Cal Ancillary Charges—Whole Blood and Packed Red Blood Cells	998,925	(94,296)	904,629
	Contract 6	D-4	XIX	XIX	49.00	2	Medi-Cal Ancillary Charges—Respiratory Therapy	10,606,193	(3,873,944)	6,732,249
	Contract 6	D-4	XIX	XIX	50.00	2	Medi-Cal Ancillary Charges—Physical Therapy	1,918,660	(587,521)	1,331,139
	Contract 6	D-4	XIX	XIX	51.00	2	Medi-Cal Ancillary Charges—Occupational Therapy	1,206,950	(155,680)	1,051,270
	Contract 6	D-4	XIX	XIX	53.00	2	Medi-Cal Ancillary Charges—Electrocardiology	4,695,106	(3,857,685)	837,421
	Contract 6	D-4	XIX	XIX	53.02	2	Medi-Cal Ancillary Charges—Cardiac Catheterization Laboratory	8,274,747	2,406,305	10,681,052
	Contract 6	D-4	XIX	XIX	54.00	2	Medi-Cal Ancillary Charges—Electroencephalography	68,512	(20,255)	48,257
	Contract 6	D-4	XIX	XIX	55.00	2	Medi-Cal Ancillary Charges—Medical Supplies Charged to Patients	7,617,287	11,407,311	19,024,598
	Contract 6	D-4	XIX	XIX	56.00	2	Medi-Cal Ancillary Charges—Drugs Charged to Patients	31,904,791	(3,343,410)	28,561,381
	Contract 6	D-4	XIX	XIX	57.00	2	Medi-Cal Ancillary Charges—Renal Dialysis	3,176,828	(849,851)	2,326,977
	Contract 6	D-4	XIX	XIX	59.00	2	Medi-Cal Ancillary Charges—Endoscopy	1,206,431	(1,075,696)	130,735
	Contract 6	D-4	XIX	XIX	60.00	2	Medi-Cal Ancillary Charges—Clinic	3,951	(3,951)	0
	Contract 6	D-4	XIX	XIX	61.00	2	Medi-Cal Ancillary Charges—Emergency	13,744,535	(5,145,202)	8,599,333
	Contract 6	D-4	XIX	XIX	101.00	2	Medi-Cal Ancillary Charges—Total	162,975,408	(24,232,255)	138,743,153
9	Contract 2	E-3	III	XIX	10.00	1	Medi-Cal Routine Service Charges	\$114,923,999	(\$16,826,722)	\$98,097,277
	Contract 2	E-3	III	XIX	11.00	1	Medi-Cal Ancillary Service Charges	162,975,408	(24,232,255)	138,743,153
10	Contract 3	E-3	III	XIX	33.00	1	Medi-Cal Deductibles	\$115,737	\$146,136	\$261,873
	Contract 3	E-3	III	XIX	36.00	1	Medi-Cal Coinsurance	1,432,044	(372,507)	1,059,537

-Continued on next page-

Provider Name		Fiscal Period		Provider Number, NPI		Adjustments		
SCRIPPS MERCY HOSPITAL		OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008		HSC30077G, 1659359446		11		
Report References								
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
Explanation of Audit Adjustments								

ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA—CONTRACT

-Continued from previous page-

To adjust Medi-Cal Settlement Data to agree with the following Fiscal Intermediary payment data:
 NPI 1659359446 and Provider Number HSC30077G
 Service Period: October 1, 2007 through September 30, 2008
 Payment Period: October 1, 2007 through January 15, 2010
 Reports Dated: January 20, 2010
 42 CFR 413.20, 413.24, 413.50, and 413.53
 CMS Pub. 15-1, Sections 2300 and 2304
 CCR, Title 22, Section 51541

Provider Name		Fiscal Period		Provider Number, NPI		Adjustments		
SCRIPPS MERCY HOSPITAL		OCTOBER 1, 2007 THROUGH SEPTEMBER 30, 2008		HSC30077G, 1659359446		11		
Report References								
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
11	Contract 1	N/A				\$0	\$8,100	\$8,100
<p>Medi-Cal Overpayments</p> <p>To recover Medi-Cal payments due to insufficient documentation authorizing services provided.</p> <p>42 CFR 431.107</p> <p>CMS Pub. 15-1, Section 2304.1</p> <p>W&I Code, Sections 14105.27 and 14124.2(b)</p> <p>CCR, Title 22, Sections 51458.1 and 51476</p> <p>Medi-Cal Contract, Article 5.2</p>								
ADJUSTMENT TO OTHER MATTERS								