

**REPORT
ON THE
COST REPORT REVIEW**

**PALM DRIVE HOSPITAL
SEBASTOPOL, CALIFORNIA
PROVIDER NUMBER: ZZR00385I AND
NPI NUMBER: 1508891649**

**FISCAL PERIOD ENDED
JUNE 30, 2008**

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

**Section Chief: Louise Wong
Audit Supervisor: David Mui
Auditor: Tyler Zeng**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

September 19, 2011

Richard Polheber
Chief Financial Officer
501 Petaluma Avenue
Sebastopol, CA 95472

PROVIDER: PALM DRIVE HOSPITAL
PROVIDER NUMBER: ZZR00385I
NPI NUMBER: 1508891649
FISCAL PERIOD ENDED JUNE 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 Paid Claims Summary Report, 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 settlement for the fiscal period due the provider in the amount of \$206,449 presented in the Summary of Findings represents 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 Distinct Part Nursing Facility Per Diem (DPNF Schedules)
4. Audit Adjustments Schedule

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

Richard Polheber
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Status will be forwarded to the provider by the State fiscal intermediary. Instructions regarding payment will be included with the Statement 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:

John Melton, Chief
Office of Administrative Appeals and Hearings
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
P.O. Box 997413
Sacramento, CA 95899-7413

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 95814-5005
(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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

SUMMARY OF FINDINGS

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

	SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1) Provider No. ZZR00385I		
Reported	\$ 177,935	
Net Change	\$ 28,514	
Audited Amount Due Provider (State)	\$ 206,449	
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.		
Reported		\$ 0
Net Change		\$ 0
Audited Cost		\$ 0
Audited Amount Due Provider (State)	\$ 0	
5. Distinct Part Nursing Facility (DPNF SCH 1) Provider No. ZZR05520K		
Reported		\$ 476.17
Net Change		\$ (1.74)
Audited Cost Per Day		\$ 474.43
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)	\$ 206,449	
9. Total Medi-Cal Cost		\$ 0

SUMMARY OF FINDINGS

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 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)		\$ 206,449	

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

Provider Name:
PALM DRIVE HOSPITALFiscal Period Ended:
JUNE 30, 2008Provider No.
ZZR00385I

	REPORTED	AUDITED
1. Net Cost of Covered Services Rendered to Medi-Cal Patients (Schedule 3)	\$ <u>1,573,585</u>	\$ <u>1,469,531</u>
2. Excess Reasonable Cost Over Charges (Schedule 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. TOTAL COST-Reimbursable to Provider (Lines 1 through 4)	\$ <u>1,573,585</u>	\$ <u>1,469,531</u>
6. Interim Payments (Adj 12)	\$ <u>(1,395,650)</u>	\$ <u>(1,263,082)</u>
7. Balance Due Provider (State)	\$ <u>177,935</u>	\$ <u>206,449</u>
8. Duplicate Payments (Adj)	\$ <u>0</u>	\$ <u>0</u>
9.	\$ <u>0</u>	\$ <u>0</u>
10.	\$ <u>0</u>	\$ <u>0</u>
11. TOTAL MEDI-CAL SETTLEMENT Due Provider (State)	\$ <u><u>177,935</u></u>	\$ <u><u>206,449</u></u>
	(To Summary of Findings)	

COMPUTATION OF LESSER OF
MEDI-CAL REASONABLE COST OR CUSTOMARY CHARGESProvider Name:
PALM DRIVE HOSPITALFiscal Period Ended:
JUNE 30, 2008Provider No.
ZZR00385I

REPORTED

AUDITED

REASONABLE COST OF MEDI-CAL INPATIENT SERVICES

1. Cost of Covered Services (Schedule 3) \$ 1,573,585 \$ 1,473,137

CHARGES FOR MEDI-CAL INPATIENT SERVICES

2. Inpatient Routine Service Charges (Adj 11) \$ 920,767 \$ 822,4603. Inpatient Ancillary Service Charges (Adj 11) \$ 2,483,458 \$ 2,277,3284. Total Charges - Medi-Cal Inpatient Services \$ 3,404,225 \$ 3,099,7885. Excess of Customary Charges Over Reasonable Cost
(Line 4 minus Line 1) * \$ 1,830,640 \$ 1,626,6516. 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:
PALM DRIVE HOSPITALFiscal Period Ended:
JUNE 30, 2008Provider No.
ZZR00385I

	<u>REPORTED</u>	<u>AUDITED</u>
1. Medi-Cal Inpatient Ancillary Services (Schedule 5)	\$ <u>693,853</u>	\$ <u>676,484</u>
2. Medi-Cal Inpatient Routine Services (Schedule 4)	\$ <u>879,732</u>	\$ <u>778,362</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>1,573,585</u>	\$ <u>1,454,846</u>
7. Medi-Cal Inpatient Hospital Based Physician for Acute Care Services (Schedule 7)	\$ <u>(See Schedule 1)</u>	\$ <u>18,291</u>
8. SUBTOTAL	\$ <u>1,573,585</u>	\$ <u>1,473,137</u> (To Schedule 2)
9. Coinsurance (Adj 12)	\$ <u>0</u>	\$ <u>(2,150)</u>
10. Patient and Third Party Liability (Adj 12)	\$ <u>0</u>	\$ <u>(1,456)</u>
11. Net Cost of Covered Services Rendered to Medi-Cal Inpatients	\$ <u><u>1,573,585</u></u>	\$ <u><u>1,469,531</u></u> (To Schedule 1)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
PALM DRIVE HOSPITALFiscal Period Ended:
JUNE 30, 2008Provider No.
ZZR00385I

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 4)	3,815	3,909
2. Inpatient Days (include private, exclude swing-bed) (Adj 4)	3,506	3,600
3. Private Room Days (exclude swing-bed private room) (Adj)	0	0
4. Semi-Private Room Days (exclude swing-bed) (Adj 4)	3,506	3,600
5. Medicare NF Swing-Bed Days through Dec 31 (Adj)	0	0
6. Medicare NF Swing-Bed Days after Dec 31 (Adj)	309	309
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 9)	395	359

SWING-BED ADJUSTMENT

17. Medicare NF Swing-Bed Rates through Dec 31 (Adj 14)	\$ 0.00	\$ 190.40
18. Medicare NF Swing-Bed Rates after Dec 31(Adj 14)	\$ 0.00	\$ 196.55
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)	\$ 5,127,047	\$ 5,109,647
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	\$ 60,734
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	\$ 60,734
27. Inpatient Routine Cost Net of Swing-Bed (L 21 minus L 26)	\$ 5,127,047	\$ 5,048,913

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

28. Gen Inpatient Routine Serv Charges (excl swing-bed charges)	\$ 4,916,890	\$ 4,916,890
29. Private Room Charges (excluding swing-bed charges)	\$ 0	\$ 0
30. Semi-Private Room Charges (excluding swing-bed charges)	\$ 4,916,890	\$ 4,916,890
31. Gen Inpatient Routine Service Cost/Charge Ratio (L 27 / L 28)	\$ 1.042742	\$ 1.026851
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)	\$ 1,402.42	\$ 1,365.80
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)	\$ 5,127,047	\$ 5,048,913

PROGRAM INPATIENT OPERATING COST

38. Adjusted General Inpatient Routine Cost Per Diem (L 37 / L 2)	\$ 1,462.36	\$ 1,402.48
39. Program General Inpatient Routine Service Cost (L 9 x L 38)	\$ 577,632	\$ 503,490
40. Cost Applicable to Medi-Cal (Sch 4A)	\$ 302,100	\$ 274,872
41. Cost Applicable to Medi-Cal (Sch 4B)	\$ 0	\$ 0
42. TOTAL MEDI-CAL ROUTINE COST (Sum of Lines 39,40 & 41)	\$ 879,732	\$ 778,362

(To Schedule 3)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COSTProvider Name:
PALM DRIVE HOSPITALFiscal Period Ended:
JUNE 30, 2008Provider No.
ZZR00385I

	REPORTED	AUDITED
SPECIAL CARE AND/OR NURSERY UNITS		
NURSERY		
1. Total Inpatient Routine Cost (Sch 8, Line 33, 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
INTENSIVE CARE UNIT		
6. Total Inpatient Routine Cost (Sch 8, Line 26, Col 27)	\$ 2,846,251	\$ 2,819,503
7. Total Inpatient Days (Adj)	961	961
8. Average Per Diem Cost	\$ 2,961.76	\$ 2,933.93
9. Medi-Cal Inpatient Days (Adj 9)	102	90
10. Cost Applicable to Medi-Cal	\$ 302,100	\$ 264,054
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 28, 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
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. Per Diem Rate (Adj 9)	\$ 0.00	\$ 318.19
27. Medi-Cal Inpatient Days (Adj 9)	0	34
28. Cost Applicable to Medi-Cal	\$ 0	\$ 10,818
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)	\$ 302,100	\$ 274,872

(To Schedule 4)

COMPUTATION OF
MEDI-CAL INPATIENT ROUTINE SERVICE COST

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

Provider No.
ZZR00385I

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)

**COMPUTATION OF
DISTINCT PART NURSING FACILITY PER DIEM**

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

Provider No:
ZZR05520K

	REPORTED	AUDITED	DIFFERENCE
COMPUTATION OF DISTINCT PART (DP) NURSING FACILITY PER DIEM			
1. Distinct Part Ancillary Cost (DPNF Sch 3)	\$ 0	\$ 0	\$ 0
2. Distinct Part Routine Cost (DPNF Sch 2)	\$ 2,351,785	\$ 2,343,197	\$ (8,588)
3. Total Distinct Part Facility Cost (Lines 1 & 2)	\$ 2,351,785	\$ 2,343,197	\$ (8,588)
4. Total Distinct Part Patient Days (Adj)	4,939	4,939	
5. Average DP Per Diem Cost (Line 3 / Line 4)	\$ 476.17	\$ 474.43	\$ (1.74)
DPNF OVERPAYMENT AND OVERBILLINGS			
6. Medi-Cal Overpayments (Adj)	\$ 0	\$ 0	\$ 0
7. Medi-Cal Credit Balances (Adj)	\$ 0	\$ 0	\$ 0
8. MEDI-CAL SETTLEMENT Due Provider (State)	\$ 0	\$ 0	\$ 0
	(To Summary of Findings)		
GENERAL INFORMATION			
9. Total Available Distinct Part Beds (C/R, W/S S-3) *	35	35	0
10. Total Licensed Capacity (All levels) (Adj)	72	72	0
11. Total Medi-Cal DP Patient Days (Adj 13)	0	3,680	3,680
CAPITAL RELATED COST			
12. Direct Capital Related Cost	N/A	\$ 0	N/A
13. Indirect Capital Related Cost (DPNF Sch 5)	N/A	\$ 31,225	N/A
14. Total Capital Related Cost (Lines 12 & 13)	N/A	\$ 31,225	N/A
TOTAL SALARY & BENEFITS			
15. Direct Salary & Benefits Expenses	N/A	\$ 707,356	N/A
16. Allocated Salary & Benefits (DPNF Sch 5)	N/A	\$ 494,057	N/A
17. Total Salary & Benefits Expenses (Lines 15 & 16)	N/A	\$ 1,201,413	N/A

* 35 Skilled Nursing beds suspended from 2/15/08 to 2/14/09

SUMMARY OF DISTINCT PART FACILITY EXPENSES

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

Provider No:
ZZR05520K

COL.	COST CENTER DIRECT AND ALLOCATED EXPENSE	REPORTED *	AUDITED *	DIFFERENCE
0.00	Distinct Part	\$ 1,452,336	\$ 1,452,336	\$ 0
1.00	Old Cap Rel Costs - Building and Fixtures		0	0
2.00	Old Cap Rel Costs - Movable Equipment		0	0
3.00	New Cap Rel Costs - Building and Fixtures		0	0
4.00	New Cap Rel Costs - Movable Equipment		0	0
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	88,056	88,056	0
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	340,430	339,814	(616)
7.00	Maintenance and Repairs	159,727	159,675	(52)
8.00	Operation of Plant		0	0
9.00	Laundry and Linen Service		0	0
10.00	Housekeeping		0	0
11.00	Dietary		0	0
12.00	Cafeteria	37,916	30,888	(7,028)
13.00	Maintenance of Personnel		0	0
14.00	Nursing Administration	260,361	259,525	(836)
15.00	Central Services and Supply		0	0
16.00	Pharmacy		0	0
17.00	Medical Records and Library	12,959	12,904	(55)
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	Intern and Res Service - Salary and Fringes		0	0
23.00	Intern and Res - Other Program		0	0
24.00	Paramedical Ed Program		0	0
101.00	TOTAL DIRECT AND ALLOCATED EXPENSES	\$ 2,351,785	\$ 2,343,197	\$ (8,588)

(To DPNF Sch 1)

* From Schedule 8, Part I, line 34.

**ALLOCATION OF INDIRECT EXPENSES
DISTINCT PART NURSING FACILITY**

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

Provider No:
ZZR05520K

COL.	COST CENTER	AUDITED CAP RELATED * (COL 1)	AUDITED SAL & EMP BENEFITS * (COL 2)
1.00	Old Cap Rel Costs - Building and Fixtures	\$ 0	\$ N/A
2.00	Old Cap Rel Costs - Movable Equipment	0	N/A
3.00	New Cap Rel Costs - Building and Fixtures	0	N/A
4.00	New Cap Rel Costs - Movable Equipment	0	N/A
4.01		0	N/A
4.02		0	N/A
4.03		0	N/A
4.04		0	N/A
4.05		0	N/A
4.06		0	N/A
4.07		0	N/A
4.08		0	N/A
5.00	Employee Benefits	461	87,595
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	10,453	129,998
7.00	Maintenance and Repairs	10,625	51,353
8.00	Operation of Plant	0	0
9.00	Laundry and Linen Service	0	0
10.00	Housekeeping	0	0
11.00	Dietary	0	0
12.00	Cafeteria	5,599	12,397
13.00	Maintenance of Personnel	0	0
14.00	Nursing Administration	3,423	205,711
15.00	Central Services and Supply	0	0
16.00	Pharmacy	0	0
17.00	Medical Records and Library	664	7,004
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	Intern and Res Service - Salary and Fringes	0	0
23.00	Intern and Res - Other Program	0	0
24.00	Paramedical Ed Program	0	0
101	TOTAL ALLOCATED INDIRECT EXPENSES	\$ 31,225	\$ 494,057

* These amounts include Skilled Nursing Facility expenses,
line 34.

(To DPNF SCH 1)

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

TRIAL BALANCE EXPENSES	NET EXP FOR COST ALLOC (From Sch 10) 0.00	OLD CAPITAL BLDG & FIXTURES 1.00	OLD MOVABLE EQUIP 2.00	NEW CAPITAL BLDG & FIXTURES 3.00	NEW MOVABLE EQUIP 4.00	ALLOC COST 4.01	ALLOC COST 4.02	ALLOC COST 4.03	ALLOC COST 4.04	ALLOC COST 4.05	ALLOC COST 4.06	ALLOC COST 4.07
GENERAL SERVICE COST CENTER												
1.00 Old Cap Rel Costs - Building and Fixtures	0											
2.00 Old Cap Rel Costs - Movable Equipment	0											
3.00 New Cap Rel Costs - Building and Fixtures	669,864											
4.00 New Cap Rel Costs - Movable Equipment	753,480											
4.01	0											
4.02	0											
4.03	0											
4.04	0											
4.05	0											
4.06	0											
4.07	0											
4.08	0											
5.00 Employee Benefits	1,492,335			3,697	4,158							
6.01 Non-Patient Telephones	0											
6.02 Data Processing	0											
6.03 Purchasing/Receiving	0											
6.04 Patient Admitting	0											
6.05 Patient Business Office	0											
6.06	0											
6.07	0											
6.08	0											
6.00 Administrative and General	4,630,262			71,781	80,741							
7.00 Maintenance and Repairs	722,354			28,314	31,848							
8.00 Operation of Plant	323,289				0							
9.00 Laundry and Linen Service	120,265			4,668	5,251							
10.00 Housekeeping	291,813			5,754	6,472							
11.00 Dietary	327,447			20,403	22,949							
12.00 Cafeteria	0			12,365	13,909							
13.00 Maintenance of Personnel	0				0							
14.00 Nursing Administration	1,013,896			3,129	3,520							
15.00 Central Services and Supply	71,787			15,141	17,031							
16.00 Pharmacy	7,107			8,517	9,580							
17.00 Medical Records and Library	435,618			12,365	13,909							
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 Intern and Res Service - Salary and Fringes	0				0							
23.00 Intern and Res - Other Program	0				0							
24.00 Paramedical Ed Program	0				0							
INPATIENT ROUTINE COST CENTERS												
25.00 Adults and Pediatrics (Gen Routine)	2,519,760			168,431	189,456							
26.00 Intensive Care Unit	1,858,300			14,144	15,910							
27.00 Coronary Care Unit	0				0							
28.00 Neonatal Intensive Care Unit	0				0							
29.00 Surgical Intensive Care	0				0							
30.00 Subprovider I	0				0							
31.00 Subprovider II	0				0							
32.00	0				0							
33.00 Nursery	0				0							
34.00 Medicare Certified Nursing Facility	1,452,336				0							
35.00 Distinct Part Nursing Facility	0				0							
36.00 Adult Subacute Care Unit	0				0							
36.01 Subacute Care Unit I	0				0							
36.02 Subacute Care Unit II	0				0							
36.02 Transitional Care Unit	0				0							

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.1

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

TRIAL BALANCE EXPENSES	ALLOC COST 4.08	EMPLOYEE BENEFITS 5.00	ALLOC COST 6.01	ALLOC COST 6.02	ALLOC COST 6.03	ALLOC COST 6.04	ALLOC COST 6.05	ALLOC COST 6.06	ALLOC COST 6.07	ALLOC COST 6.08	ACCUMULATE COST	ADMINIS-TRATIVE & GENERAL 6.00
ANCILLARY COST CENTERS												
37.00 Operating Room	0	213,283	0	0	0	0	0	0	0	0	3,065,596	676,277
38.00 Recovery Room	0	0	0	0	0	0	0	0	0	0	0	0
39.00 Delivery Room and Labor Room	0	0	0	0	0	0	0	0	0	0	0	0
40.00 Anesthesiology	0	0	0	0	0	0	0	0	0	0	0	0
41.00 Radiology - Diagnostic	0	91,856	0	0	0	0	0	0	0	0	1,478,887	326,245
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 Radiology - Therapeutic	0	0	0	0	0	0	0	0	0	0	0	0
43.00 Radioisotope	0	0	0	0	0	0	0	0	0	0	0	0
44.00 Laboratory	0	95,839	0	0	0	0	0	0	0	0	2,071,839	457,052
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0	0	0	0
46.00 Whole Blood	0	0	0	0	0	0	0	0	0	0	0	0
47.00 Blood Storing and Processing	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
49.00 Respiratory Therapy	0	24,223	0	0	0	0	0	0	0	0	0	0
50.00 Physical Therapy	0	62,777	0	0	0	0	0	0	0	0	309,443	68,264
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	0	0	717,552	158,293
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0	0	0	0
53.00 Electrocardiology	0	0	0	0	0	0	0	0	0	0	0	0
54.00 Electroencephalography	0	0	0	0	0	0	0	0	0	0	0	0
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	0	0	1,302,926	287,428
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	0	0	1,308,551	288,669
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0	0	0	0
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
59.00	0	0	0	0	0	0	0	0	0	0	0	0
59.01	0	0	0	0	0	0	0	0	0	0	0	0
59.02	0	0	0	0	0	0	0	0	0	0	0	0
59.03	0	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	0	14,417	0	0	0	0	0	0	0	0	0	0
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0	0	236,520	52,177
61.00 Emergency	0	144,049	0	0	0	0	0	0	0	0	1,736,469	383,069
62.00 Observation Beds	0	0	0	0	0	0	0	0	0	0	0	0
71.00	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 CENTERS												
96.00 Gift, Flower, Coffee Shop and Canteen	0	0	0	0	0	0	0	0	0	0	0	0
97.00 Research	0	0	0	0	0	0	0	0	0	0	0	0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0	0	0	0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
99.01	0	0	0	0	0	0	0	0	0	0	0	0
99.02	0	0	0	0	0	0	0	0	0	0	0	0
99.03	0	0	0	0	0	0	0	0	0	0	0	0
99.04	0	0	0	0	0	0	0	0	0	0	0	0
99.05	0	0	0	0	0	0	0	0	0	0	0	0
100.00 Marketing	0	0	0	0	0	0	0	0	0	0	3,061	675
100.01	0	0	0	0	0	0	0	0	0	0	0	0
100.02 Medical Office Building	0	0	0	0	0	0	0	0	0	0	0	0
100.03	0	0	0	0	0	0	0	0	0	0	0	0
100.04	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	<u>0</u>	<u>1,500,190</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27,634,412</u>	<u>4,994,425</u>

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 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
GENERAL SERVICE COST CENTER												
1.00 Old Cap Rel Costs - Building and Fixtures												
2.00 Old Cap Rel Costs - Movable Equipment												
3.00 New Cap Rel Costs - Building and 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												
9.00 Laundry and Linen Service												
10.00 Housekeeping		3,254										
11.00 Dietary	6,839	4,011		15,219	172,899							
12.00 Cafeteria	29,887	8,620		9,224								
13.00 Maintenance of Personnel	18,113	0		0	0							
14.00 Nursing Administration	0	2,181		2,334	0	18,023						
15.00 Central Services and Supply	4,584	10,555		11,294	0	3,405		353				
16.00 Pharmacy	22,180	5,937		6,353	0	0		0				
17.00 Medical Records and Library	12,476	8,620		9,224	0	11,682		0				
18.00 Social Service	18,113	0		0	0	0		0				
19.00	0	0		0	0	0		0				
19.02	0	0		0	0	0		0				
19.03	0	0		0	0	0		0				
20.00	0	0		0	0	0		0				
21.00 Nursing School	0	0		0	0	0		0				
22.00 Intern and Res Service - Salary and Fringes	0	0		0	0	0		0				
23.00 Intern and Res - Other Program	0	0		0	0	0		0				
24.00 Paramedical Ed Program	0	0		0	0	0		0				
INPATIENT ROUTINE COST CENTERS												
25.00 Adults and Pediatrics (Gen Routine)	246,730	117,413	58,864	125,640	243,578	42,428		464,683	0	0	44,515	0
26.00 Intensive Care Unit	20,719	9,860	57,704	10,551	40,905	15,067		178,740	0	0	36,908	0
27.00 Coronary Care Unit	0	0	0	0	0	0		0	0	0	0	0
28.00 Neonatal Intensive Care Unit	0	0	0	0	0	0		0	0	0	0	0
29.00 Surgical Intensive Care	0	0	0	0	0	0		0	0	0	0	0
30.00 Subprovider I	0	0	0	0	0	0		0	0	0	0	0
31.00 Subprovider II	0	0	0	0	0	0		0	0	0	0	0
32.00	0	0	0	0	0	0		0	0	0	0	0
33.00 Nursery	0	0	0	0	0	0		0	0	0	0	0
34.00 Medicare Certified Nursing Facility	159,675	0	0	0	0	30,888		259,525	0	0	12,904	0
35.00 Distinct Part Nursing Facility	0	0	0	0	0	0		0	0	0	0	0
36.00 Adult Subacute Care Unit	0	0	0	0	0	0		0	0	0	0	0
36.01 Subacute Care Unit I	0	0	0	0	0	0		0	0	0	0	0
36.02 Subacute Care Unit II	0	0	0	0	0	0		0	0	0	0	0
36.02 Transitional Care Unit	0	0	0	0	0	0		0	0	0	0	0

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 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
ANCILLARY COST CENTERS												
37.00 Operating Room	155,498	73,998	22,088	79,182	0	29,073	0	272,239	0	0	202,944	0
38.00 Recovery Room	0	0	0	0	0	0	0	0	0	0	0	0
39.00 Delivery Room and Labor Room	0	0	0	0	0	0	0	0	0	0	0	0
40.00 Anesthesiology	0	0	0	0	0	0	0	0	0	0	0	0
41.00 Radiology - Diagnostic	103,486	49,247	5,603	52,697	0	20,347	0	0	0	0	81,979	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 Radiology - Therapeutic	0	0	0	0	0	0	0	0	0	0	0	0
43.00 Radioisotope	0	0	0	0	0	0	0	0	0	0	0	0
44.00 Laboratory	72,102	34,312	0	36,716	0	23,895	0	0	0	0	37,397	0
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0	0	0	0
46.00 Whole Blood	0	0	0	0	0	0	0	0	0	0	0	0
47.00 Blood Storing and Processing	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
49.00 Respiratory Therapy	7,393	3,518	0	3,765	0	3,099	0	0	0	0	25,937	0
50.00 Physical Therapy	64,044	30,477	0	32,612	0	15,311	0	1,402	0	0	21,281	0
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	0	0	0	0
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0	0	0	0
53.00 Electrocardiology	0	0	0	0	0	0	0	0	0	0	0	0
54.00 Electroencephalography	0	0	0	0	0	0	0	0	0	0	0	0
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	184,699	0	35,239	0
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	0	55,530	60,293	0
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0	0	0	0
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0	0	0	0
59.00	0	0	0	0	0	0	0	0	0	0	0	0
59.01	0	0	0	0	0	0	0	0	0	0	0	0
59.02	0	0	0	0	0	0	0	0	0	0	0	0
59.03	0	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	0	0	0	0	0	2,630	0	20,868	0	0	7,710	0
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	0	0	0	0
61.00 Emergency	37,705	17,943	24,738	19,200	0	25,077	0	211,732	0	0	84,186	0
62.00 Observation Beds	0	0	0	0	0	0	0	0	0	0	0	0
71.00	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 CENTERS												
96.00 Gift, Flower, Coffee Shop and Canteen	0	0	0	0	0	0	0	0	0	0	0	0
97.00 Research	0	0	0	0	0	0	0	0	0	0	0	0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0	0	0	0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0	0
99.01	0	0	0	0	0	0	0	0	0	0	0	0
99.02	0	0	0	0	0	0	0	0	0	0	0	0
99.03	0	0	0	0	0	0	0	0	0	0	0	0
99.04	0	0	0	0	0	0	0	0	0	0	0	0
99.05	0	0	0	0	0	0	0	0	0	0	0	0
100.00 Marketing	924	440	0	471	0	0	0	0	0	0	0	0
100.01	0	0	0	0	0	0	0	0	0	0	0	0
100.02 Medical Office Building	0	0	0	0	0	0	0	0	0	0	0	0
100.03	0	0	0	0	82,044	0	0	0	0	0	0	0
100.04	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	988,896	394,607	168,997	414,482	539,426	240,925	0	1,409,543	184,699	55,530	651,291	0

STATE OF CALIFORNIA

COMPUTATION OF COST ALLOCATION (W/S B)

SCHEDULE 8.3

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

TRIAL BALANCE EXPENSES	ALLOC COST 19.00	ALLOC COST 19.02	ALLOC COST 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 25.00	POST ADJUSTMENT 26.00	TOTAL COST 27.00
ANCILLARY COST CENTERS											
37.00 Operating Room	0	0	0	0	0	0	0	0	4,576,895	0	4,576,895
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	0	0	0	0	0	0
40.00 Anesthesiology	0	0	0	0	0	0	0	0	0	0	0
41.00 Radiology - Diagnostic	0	0	0	0	0	0	0	0	2,118,491	0	2,118,491
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	0	0	0
44.00 Laboratory	0	0	0	0	0	0	0	0	2,733,313	0	2,733,313
44.01 Pathological Lab	0	0	0	0	0	0	0	0	0	0	0
46.00 Whole Blood	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0
50.00 Physical Therapy	0	0	0	0	0	0	0	0	421,419	0	421,419
51.00 Occupational Therapy	0	0	0	0	0	0	0	0	1,040,972	0	1,040,972
52.00 Speech Pathology	0	0	0	0	0	0	0	0	0	0	0
53.00 Electrocardiology	0	0	0	0	0	0	0	0	0	0	0
54.00 Electroencephalography	0	0	0	0	0	0	0	0	0	0	0
55.00 Medical Supplies Charged to Patients	0	0	0	0	0	0	0	0	1,810,292	0	1,810,292
56.00 Drugs Charged to Patients	0	0	0	0	0	0	0	0	1,713,043	0	1,713,043
57.00 Renal Dialysis	0	0	0	0	0	0	0	0	0	0	0
58.00 ASC (Non-Distinct Part)	0	0	0	0	0	0	0	0	0	0	0
59.00	0	0	0	0	0	0	0	0	0	0	0
59.01	0	0	0	0	0	0	0	0	0	0	0
59.02	0	0	0	0	0	0	0	0	0	0	0
59.03	0	0	0	0	0	0	0	0	0	0	0
60.00 Clinic	0	0	0	0	0	0	0	0	0	0	0
60.01 Other Clinic Services	0	0	0	0	0	0	0	0	319,905	0	319,905
61.00 Emergency	0	0	0	0	0	0	0	0	0	0	0
62.00 Observation Beds	0	0	0	0	0	0	0	0	2,540,120	0	2,540,120
71.00	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 CENTERS											
96.00 Gift, Flower, Coffee Shop and Canteen	0	0	0	0	0	0	0	0	0	0	0
97.00 Research	0	0	0	0	0	0	0	0	0	0	0
98.00 Physicians' Private Office	0	0	0	0	0	0	0	0	0	0	0
99.00 Nonpaid Workers	0	0	0	0	0	0	0	0	0	0	0
99.01	0	0	0	0	0	0	0	0	0	0	0
99.02	0	0	0	0	0	0	0	0	0	0	0
99.03	0	0	0	0	0	0	0	0	0	0	0
99.04	0	0	0	0	0	0	0	0	0	0	0
99.05	0	0	0	0	0	0	0	0	0	0	0
100.00 Marketing	0	0	0	0	0	0	0	0	5,570	0	5,570
100.01	0	0	0	0	0	0	0	0	0	0	0
100.02 Medical Office Building	0	0	0	0	0	0	0	0	0	0	0
100.03	0	0	0	0	0	0	0	0	82,044	0	82,044
100.04	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0	0	0	27,634,412	0	27,634,412

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (WS B-1)

SCHEDULE 9.1

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

	EMP BENE (GROSS SALARIES) 5.00	6.01	6.02	6.03	6.04	6.05	6.06	6.07	6.08	ADM & GEN (ACCUM COST)	MAINT & REPAIRS (SQ FT) 7.00	
ANCILLARY COST CENTERS												
37.00										3,065,596	8,413	
38.00	1,713,303									0		
39.00										0		
40.00										0		
41.00	737,883									1,478,887	5,599	
41.01										0		
41.02										0		
42.00										0		
43.00										0		
44.00	769,873									2,071,839	3,901	
44.01										0		
46.00										0		
47.00										0		
48.00										0		
49.00	194,584									309,443	400	
50.00	504,290									717,552	3,465	
51.00										0		
52.00										0		
53.00										0		
54.00										0		
55.00										1,302,926		
56.00										1,308,551		
57.00										0		
58.00										0		
59.00										0		
59.01										0		
59.02										0		
59.03										0		
60.00	115,811									236,520		
60.01										0		
61.00	1,157,147									1,736,469	2,040	
62.00										0		
71.00										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		
99.00										0		
99.01										0		
99.02										0		
99.03										0		
99.04										0		
99.05										0		
100.00										0		
100.01										3,061	50	
100.02										0		
100.03										0		
100.04										0		
TOTAL	12,051,052	0	0	0	0	0	0	0	0	22,639,987	53,503	
COST TO BE ALLOCATED	1,500,190	0	0	0	0	0	0	0	0	4,994,425	988,896	
UNIT COST MULTIPLIER - SCH 8	0.124486	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.220602	18.483008	

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (WS B-1)

SCHEDULE 9.2

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

OPER PLANT (SQ FT)	LAUNDRY & LINEN (LB LNDRY)	HOUSE-KEEPING (HR SERV)	DIETARY (MEALS SERVED)	CAFETERIA (FTE'S)	MAINT OF PERSONNEL (# HOUSED)	NURSING ADMIN (NURSE HR)	CENT SERV & SUPPLY (C-ST REQ)	PHARMACY (COSTS REQUIS)	MED REC (GROSS CHARGES)	SOC SERV (TIME SPENT)	STAT
8.00	9.00	10.00	11.00 (Adj 3)	12.00	13.00	14.00	15.00	16.00	17.00	18.00	19.00

GENERAL SERVICE COST CENTERS

1.00 Old Cap Rel Costs - Building and Fixtures
 2.00 Old Cap Rel Costs - Movable Equipment
 3.00 New Cap Rel Costs - Building and 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 Cafeteria
 13.00 Maintenance of Personnel
 14.00 Nursing Administration
 15.00 Central Services and Supply
 16.00 Pharmacy
 17.00 Medical Records and Library
 18.00 Social Service
 19.00
 19.02
 19.03
 20.00

21.00 Nursing School
 22.00 Intern and Res Service - Salary and Fringes
 23.00 Intern and Res - Other Program
 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
 28.00 Neonatal Intensive Care Unit
 29.00 Surgical Intensive Care
 30.00 Subprovider I
 31.00 Subprovider II
 32.00
 33.00
 34.00
 35.00
 36.00
 36.01
 36.02

Nursery
 Medicare Certified Nursing Facility
 Distinct Part Nursing Facility
 Adult Subacute Care Unit
 Subacute Care Unit II
 Transitional Care Unit

13,349
 1,121
 63,863
 62,605
 13,349
 1,121
 11,445
 1,922
 2,081
 739
 39,436
 15,169
 22,025
 1,425,320
 1,515
 884
 167
 573
 30
 4,916,890
 4,076,680

STATE OF CALIFORNIA

STATISTICS FOR COST ALLOCATION (WS B-1)

SCHEDULE 9.2

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

	OPER PLANT (SQ FT)	LAUNDRY & LINEN (LB LNDRY)	HOUSE-KEEPING (HR SERV)	DIETARY (MEALS SERVED)	CAFETERIA (FTE'S)	MAINT OF PERSONNEL (# HOUSED)	NURSING ADMIN (NURSE HR)	CENT SERV & SUPPLY (CST REQ)	PHARMACY (COSTS REQUIS)	MED REC (GROSS CHARGES)	SOC SERV (TIME SPENT)	STAT
ANCILLARY COST CENTERS												
37.00	8,413	23,964	8,413		1,426		23,104			22,416,224		
38.00												
39.00												
40.00												
41.00	5,599	6,079	5,599		998					9,054,990		
41.01												
41.02												
42.00												
43.00												
44.00	3,901		3,901		1,172					4,130,655		
44.01												
46.00												
47.00												
48.00												
49.00	400		400		152		119			2,864,838		
50.00	3,465		3,465		751					2,350,566		
51.00												
52.00												
53.00												
54.00												
55.00										3,892,316		
56.00										6,659,706		
57.00												
58.00												
59.00												
59.01												
59.02												
59.03												
60.00												
60.01					129		1,771			851,619		
61.00												
62.00	2,040	26,839	2,040		1,230		17,969			9,298,776		
71.00												
82.00												
83.00												
84.00												
85.00												
86.00												
NONREIMBURSABLE COST CENTERS												
96.00												
97.00												
98.00												
99.00												
99.01												
99.02												
99.03												
99.04												
99.05												
100.00												
100.01	50		50									
100.02												
100.03				3,855								
100.04												
TOTAL	44,864	188,350	44,038	25,346	11,817	0	119,623	1,270,166	737,952	71,938,580	0	0
COST TO BE ALLOCATED	394,607	168,997	414,482	539,426	240,925	0	1,409,543	184,699	55,530	651,291	0	0
UNIT COST MULTIPLIER - SCH 8	8,795631	0,921717	9,411921	21,282477	20,388040	0,000000	11,783210	0,145413	0,075249	0,009053	0,000000	0,000000

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

STAT	STAT	NONPHY ANESTH (ASG TIME)	NURSE SCHOOL (ASG TIME)	I&R-SAL & FRINGES (ASG TIME)	I&R-PRG COST (ASG TIME)	PARAMED EDUCAT (ASG TIME)
19.02	19.03	20.00	21.00	22.00	23.00	24.00
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						
6.00						
7.00						
8.00						
9.00						
10.00						
11.00						
12.00						
13.00						
14.00						
15.00						
16.00						
17.00						
18.00						
19.00						
19.02						
19.03						
20.00						
21.00						
22.00						
23.00						
24.00						
IMPATIENT ROUTINE COST CENTERS						
25.00						
26.00						
27.00						
28.00						
29.00						
30.00						
31.00						
32.00						
33.00						
34.00						
35.00						
36.00						
36.01						
36.02						

TRIAL BALANCE OF EXPENSES

Provider Name:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	GENERAL SERVICE COST CENTERS			
1.00	Old Cap Rel Costs - Building and Fixtures	\$	\$ 0	\$ 0
2.00	Old Cap Rel Costs - Movable Equipment		0	0
3.00	New Cap Rel Costs - Building and Fixtures	669,864	0	669,864
4.00	New Cap Rel Costs - Movable Equipment	753,480	0	753,480
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	1,492,335	0	1,492,335
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	4,630,262	0	4,630,262
7.00	Maintenance and Repairs	722,354	0	722,354
8.00	Operation of Plant	323,289	0	323,289
9.00	Laundry and Linen Service	120,265	0	120,265
10.00	Housekeeping	289,658	2,155	291,813
11.00	Dietary	327,447	0	327,447
12.00	Cafeteria		0	0
13.00	Maintenance of Personnel		0	0
14.00	Nursing Administration	1,013,896	0	1,013,896
15.00	Central Services and Supply	71,787	0	71,787
16.00	Pharmacy	7,107	0	7,107
17.00	Medical Records and Library	435,618	0	435,618
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	Intern and Res Service - Salary and Fringes		0	0
23.00	Intern and Res - Other Program		0	0
24.00	Paramedical Ed Program		0	0
	INPATIENT ROUTINE COST CENTERS			
25.00	Adults and Pediatrics (Gen Routine)	2,519,760	0	2,519,760
26.00	Intensive Care Unit	1,858,300	0	1,858,300
27.00	Coronary Care Unit		0	0
28.00	Neonatal Intensive Care Unit		0	0
29.00	Surgical Intensive Care		0	0
30.00	Subprovider I		0	0
31.00	Subprovider II		0	0
32.00			0	0
33.00	Nursery		0	0
34.00	Medicare Certified Nursing Facility	1,452,336	0	1,452,336
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:
PALM DRIVE HOSPITAL

Fiscal Period Ended:
JUNE 30, 2008

		REPORTED	ADJUSTMENTS (From Sch 10A)	AUDITED
	ANCILLARY COST CENTERS			
37.00	Operating Room	\$ 2,628,916	\$ (2,155)	\$ 2,626,761
38.00	Recovery Room		0	0
39.00	Delivery Room and Labor Room		0	0
40.00	Anesthesiology		0	0
41.00	Radiology - Diagnostic	1,236,921	0	1,236,921
41.01			0	0
41.02			0	0
42.00	Radiology - Therapeutic		0	0
43.00	Radioisotope		0	0
44.00	Laboratory	1,871,415	0	1,871,415
44.01	Pathological Lab		0	0
46.00	Whole Blood		0	0
47.00	Blood Storing and Processing		0	0
48.00	Intravenous Therapy		0	0
49.00	Respiratory Therapy	274,496	0	274,496
50.00	Physical Therapy	561,878	0	561,878
51.00	Occupational Therapy		0	0
52.00	Speech Pathology		0	0
53.00	Electrocardiology		0	0
54.00	Electroencephalography		0	0
55.00	Medical Supplies Charged to Patients	1,302,926	0	1,302,926
56.00	Drugs Charged to Patients	1,308,551	0	1,308,551
57.00	Renal Dialysis		0	0
58.00	ASC (Non-Distinct Part)		0	0
59.00			0	0
59.01			0	0
59.02			0	0
59.03			0	0
60.00	Clinic	221,853	250	222,103
60.01	Other Clinic Services		0	0
61.00	Emergency	1,497,003	40,725	1,537,728
62.00	Observation Beds		0	0
71.00			0	0
82.00			0	0
83.00			0	0
84.00			0	0
85.00			0	0
86.00			0	0
	SUBTOTAL	\$ 27,591,717	\$ 40,975	\$ 27,632,692
	NONREIMBURSABLE COST CENTERS			
96.00	Gift, Flower, Coffee Shop and Canteen		0	0
97.00	Research		0	0
98.00	Physicians' Private Office		0	0
99.00	Nonpaid Workers		0	0
99.01			0	0
99.02			0	0
99.03			0	0
99.04			0	0
99.05			0	0
100.00	Marketing	1,720	0	1,720
100.01			0	0
100.02	Medical Office Building		0	0
100.03			0	0
100.04			0	0
100.99	SUBTOTAL	\$ 1,720	\$ 0	\$ 1,720
101	TOTAL	\$ 27,593,437	\$ 40,975	\$ 27,634,412

(To Schedule 8)

Provider Name		Fiscal Period		Provider Number		Adjustments		
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14		
Report References								
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
1	10A	A		10.00	7	Housekeeping	\$289,658	\$291,813
	10A	A		37.00	7	Operating Room	2,628,916	(2,155) \$2,626,761
	10A	A		60.00	7	Clinic	221,853	250 \$222,103
	10A	A		61.00	7	Emergency	1,497,003	(250) \$1,496,753 *
<p>To reclassify benefits expense in conjunction with the provider's reclassification of salaries for proper cost determination. CMS Pub. 15-1, Sections 2304 and 2306</p>								
RECLASSIFICATION OF REPORTED COSTS								

Provider Name		Fiscal Period		Provider Number		Adjustments	
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14	
Report References							
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	As Adjusted
			Part	Title	Line		
2	10A	A	61.00	7	Emergency	\$1,496,753	\$1,537,728
<p>ADJUSTMENT TO REPORTED COSTS</p> <p>To adjust Emergency expense to agree with the provider's CPA audit adjustment. CMS Pub. 15-1, Sections 2300, 2304, and 2306</p>							

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments		
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14		
Report References								
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
3	9	B-1		12.00	11	14,960	(6,836)	8,124
	9	B-1		25.00	11	16,357	(4,912)	11,445
	9	B-1		26.00	11	4,120	(2,198)	1,922
	9	B-1		100.03	11	0	3,855	3,855
	9	B-1		11.00	11	35,437	(10,091)	25,346
<p style="text-align: center;">ADJUSTMENT TO REPORTED STATISTICS</p> <p>To adjust meals served statistics to agree with audit findings and for proper cost allocation. CMS Pub. 15-1, Sections 2304 and 2306</p>								

Provider Name		Fiscal Period		Provider Number		Adjustments	
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14	
Report References							
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	As Adjusted
			Part	Title	Line		
4	D-1	I	XIX	1	1	3,815	3,909
4	D-1	I	XIX	2, 4	1	3,506	3,600
<p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Total Inpatient Days Semi-Private Room Days To adjust reported patient days to agree with the provider's census report. CMS Pub. 15-1, Sections 2205.4 and 2304</p>							

Provider Name		Fiscal Period		Provider Number		Adjustments	
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14	
Report References							
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	As Adjusted
			Part	Title	Line		
Explanation of Audit Adjustments							
ADJUSTMENT TO REPORTED TOTAL CHARGES							
5	N/A	C	I	44.00	8	Laboratory	\$4,130,655
		C	I	103.00	8	Total	71,938,580
							(\$40,975)
							(40,975)
							\$4,089,680
							71,897,605
To adjust Laboratory revenue to agree with the provider's CPA audit adjustment and in conjunction with audit adjustment number 2. CMS Pub. 15-1, Sections 2300, 2304, and 2306							

Provider Name		Fiscal Period		Provider Number		Adjustments	
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14	
Adj. No.	Audit Report	Report References			As Reported	Increase (Decrease)	As Adjusted
		Work Sheet	Part	Title			
Explanation of Audit Adjustments							
ADJUSTMENTS TO REPORTED PROVIDER-BASED PHYSICIANS							
6	7	Not Reported			\$0	\$24,006	\$24,006
	7	Not Reported			0	45,825	45,825
	7	Not Reported			0	71,710	71,710
	7	Not Reported			0	980,000	980,000
	7	Not Reported			0	1,121,541	1,121,541
	7	Not Reported			\$0	\$9,054,990	\$9,054,990
	7	Not Reported			0	4,130,655	4,130,655
	7	Not Reported			0	851,619	851,619
	7	Not Reported			0	9,298,776	9,298,776
	7	Not Reported			0	23,336,040	23,336,040
	7	Not Reported			\$0	\$148,284	\$148,284
	7	Not Reported			0	191,711	191,711
	7	Not Reported			0	149,643	149,643
	7	Not Reported			0	489,637	489,637

To establish worksheet D-3 for provider based physician services which are combined billed for proper cost determination. CMS Pub. 15-1, Sections 2108 and 2182

Provider Name		Fiscal Period		Provider Number		Adjustments			
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14			
Report References				Explanation of Audit Adjustments					
Adj. No.	Audit Report	Work Sheet	Part	Cost Report			As Reported	Increase (Decrease)	As Adjusted
				Title	Line	Col.			
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA									
9	4	D-1	I	XIX	9.00	1	395		359
	4A	D-1	II	XIX	43.00	4	102		90
	4A	Not Reported					0	34	34
	4A	Not Reported					\$0	\$318.19	\$318.19
10	6	D-4		XIX	37.00	2	\$739,907	(\$21,478)	\$718,429
	6	D-4		XIX	41.00	2	246,178	(97,894)	148,284
	6	D-4		XIX	44.00	2	188,294	3,417	191,711
	6	D-4		XIX	49.00	2	230,390	(84,643)	145,747
	6	D-4		XIX	50.00	2	59,522	(4,920)	54,602
	6	D-4		XIX	55.00	2	167,307	106,770	274,077
	6	D-4		XIX	56.00	2	651,607	(56,772)	594,835
	6	D-4		XIX	61.00	2	200,253	(50,610)	149,643
	6	D-4		XIX	101.00	2	2,483,458	(206,130)	2,277,328
11	2	E-3	III	XIX	10.00	1	\$920,767	(\$98,307)	\$822,460
	2	E-3	III	XIX	11.00	1	2,483,458	(206,130)	2,277,328
12	3	E-3	III	XIX	33.00	1	\$0	\$1,456	\$1,456
	3	E-3	III	XIX	36.00	1	0	2,150	2,150
	1	E-3	III	XIX	57.00	1	1,395,650	(132,568)	1,263,082

To adjust Medi-Cal Settlement Data to agree with the following EDS Paid Claims Summary:
 Report Date: June 16, 2010
 Payment Period: July 1, 2007 through June 31, 2008
 Service Period: July 1, 2007 through June 31, 2008
 CMS Pub. 15-1, Sections 2304 and 2408
 CCR, Title 22, Sections 51541 and 51542

Provider Name		Fiscal Period		Provider Number		Adjustments			
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14			
Report References									
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted	
			Part	Title	Line				Col.
13	DPNF1	S-3	I	XIX	15.00	5	0	3,680	3,680
Medi-Cal Days - Skilled Nursing Facility To adjust Medi-Cal Settlement Data to agree with the following EDS Paid Claims Summary: Report Date: June 8, 2010 Payment Period: July 1, 2007 through June 3, 2010 Service Period: July 1, 2007 through June 30, 2008 CMS Pub. 15-1, Sections 2304, 2404, and 2408									
ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA - DPNF									

Provider Name		Fiscal Period		Provider Number		Adjustments		
PALM DRIVE HOSPITAL		JULY 1, 2007 THROUGH JUNE 30, 2008		ZZR00385I		14		
Report References								
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
14	4	D-1	I	XIX	17.00	1	\$0	\$190.40
	4	D-1	I	XIX	18.00	1	0	196.55
<p>Explanation of Audit Adjustments</p> <p>ADJUSTMENT TO OTHER MATTERS</p> <p>Medicare NF Swing-Bed Rates Through December 31</p> <p>Medicare NF Swing-Bed Rates After December 31</p> <p>To include Medicare Rate for swing-bed SNF services.</p> <p>CMS Pub. 15-1, Sections 2230.5B, 2231, and 2304</p>								