

**REPORT  
ON THE AUDIT OF  
MEDI-CAL RATE DEVELOPMENT WORKSHEETS**

**SONOMA VALLEY HEALTHCARE DISTRICT  
SONOMA, CALIFORNIA  
PROVIDER NUMBER: ZZR00090F AND  
NPI NUMBER: 1710063870**

**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: Diana Dong  
Auditor: Laurie Plancarte**



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



EDMUND G. BROWN JR.  
GOVERNOR

February 1, 2011

Administrator  
Sonoma Valley Health Care District  
347 Andrieux Street  
Sonoma, CA 95476

PROVIDER: SONOMA VALLEY HEALTHCARE DISTRICT  
PROVIDER NO. ZZR00090F AND NPI NO. 1710063870  
FISCAL PERIOD ENDED JUNE 30, 2008

We have examined the Rate Development Branch Schedules for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code. The data for the schedules was obtained from provider records during a field audit.

In our opinion, the audited data presented in the Rate Development Branch Schedules represents a proper determination of audited cost, patient days, and direct labor cost in accordance with applicable programs.

This audit report includes the:

1. Rate Development Branch Schedules
2. Audit Adjustments Schedule

The results of this examination may be used to determine the Medi-Cal Peer Grouping Inpatient Reimbursement Limitation (PIRL) rate calculations. This will be determined by the Department's Rate Development Branch pursuant to California Code of Regulations (CCR), Title 22, Sections 51545 through 51556. These regulations may be viewed at [www.oal.ca.gov](http://www.oal.ca.gov).

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) 355-5603

Administrator  
Page 2

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

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER: SONOMA VALLEY HEALTHCARE DISTRICT**  
**PROVIDER NO. ZZR00090F**  
**FISCAL PERIOD: JULY 1, 2007 THROUGH JUNE 30, 2008**  
**CONTRACT PERIOD: N/A**

	Noncontract Cost Settlement		Medi-Cal For Contract Services		Medi-Cal Total For Fiscal Period
<u>ACUTE CARE ONLY</u>					
A. Medi-Cal Net Cost of Covered Services Plus Hospital-Based Physician Costs, Excluding Return on Equity (Adj. 1)	\$ 2,208,267		\$ 0		\$ 2,208,267
B. Deductibles and Coinsurance (Third Party Liability) (Adj. 2)	\$ 6,367		\$ 0		\$ 6,367
C. Medi-Cal Inpatient Days (Adjs. 3-5)					
1. Routine (Adults & Pediatrics)	597		0		597
2. ICU	84		0		84
3. CCU					
4. Nursery	278		0		278
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges (Adj. )	N/A		N/A		1,494
E. Total Medi-Cal Discharges (Adj. 6)	229		0		229
F. Total Medi-Cal Inpatient Charges (Adj. 7)	\$ 5,034,484		\$ 0		\$ 5,034,484

## RATE DEVELOPMENT WORKSHEETS

**PROVIDER:** SONOMA VALLEY HEALTHCARE DISTRICT  
**PROVIDER NO.** ZZR00090F  
**FISCAL PERIOD:** JULY 1, 2007 THROUGH JUNE 30, 2008  
**CONTRACT PERIOD:** N/A

A. EXPENSE PASS-THROUGH DATA	<u>REFERENCE</u>		
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	1,242,154
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	419,841
3. Interest Expense:	8860, 8870	\$	363,454
4. Property Taxes and License Fees:	8850 and/or .83	\$	48,135
5. Utility Expense:	.77, .78, .79, and .80	\$	650,148
6. Malpractice Insurance Expense:	8830 and/or .81	\$	301,183
 B. GROSS OPERATING EXPENSES	 Sch 10, line 101, col. 3	 \$	 42,639,135
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	
2. Professional Fees	.20	\$	1,394,809
 D. PHARMACY NONLABOR EXPENSES	 8390.37 and 8390.38	 \$	 979,707
 E. FOOD SERVICES NONLABOR EXPENSES	 8320, 8330 and 8340 and/or .42 and .43	 \$	 307,918
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	20,112,452
2. Employee Benefits	.10 - .19, .92, .96	\$	6,481,453
3. Other Professional Fees	.21 - .29	\$	2,045,934
4. Purchased Services	.61 - .69	\$	3,839,802
5. Supplies	.31 - .36, .93, .97	\$	3,609,784
6. Other Direct Operating Expense	.85 - .90	\$	842,361

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER:** SONOMA VALLEY HEALTHCARE DISTRICT  
**PROVIDER NO.:** ZZR00090F  
**FISCAL PERIOD:** JULY 1, 2007 THROUGH JUNE 30, 2008  
**CONTRACT PERIOD:** N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	2,661,771
b. Productive Hours			53,922.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	4,212,111
b. Productive Hours			117,862.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	8,252,592
b. Productive Hours			136,742.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	71,802
b. Productive Hours			2,953.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	1,388,878
b. Productive Hours			71,613.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	-
b. Productive Hours			-
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	-
b. Productive Hours			-
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	1,163,166
b. Productive Hours			64,189.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	2,324,531
b. Productive Hours			115,432.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	37,601
b. Productive Hours			1,891.00
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	2,254,041
b. Productive Hours	Report or Provider W/P		67,648.00
<b>B. SUBTOTALS DIRECT PAYROLL COSTS</b>			
1. Productive Salaries (lines 1a - 10a)		\$	<u>20,112,452</u>
2. Productive Hours (lines 1b - 10b)			<u>564,604.00</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)</b>		<b>\$</b>	<b><u>22,366,493</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)</b>			<b><u>632,252.00</u></b>

**AUDIT ADJUSTMENTS**

Provider: SONOMA VALLEY HEALTHCARE DISTRICT		Provider No. ZZR00090F	Fiscal Period: JULY 1, 2007 THROUGH JUNE 30, 2008		No. of Adjs: 18
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)
Adj. No.	Form	Page	Line	Reported	Audited
<b><u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u></b>					
1	A&I-2	1	A	\$ 2,241,529	\$ 2,208,267
	A&I-2	1	A	\$	\$
					(33,262)
2	A&I-2	1	B	\$ 0	\$ 6,367
	A&I-2	1	B	\$	\$
					6,367
3	A&I-2	1	C-1	606	597
	A&I-2	1	C-1		(9)
4	A&I-2	1	C-2	85	84
	A&I-2	1	C-2		(1)
5	A&I-2	1	C-4	293	278
	A&I-2	1	C-4		(15)
	A&I-2	1	C-5		
	A&I-2	1	C-5		
	A&I-2	1	C-6a		
	A&I-2	1	C-6a		
	A&I-2	1	C-6b		
	A&I-2	1	C-6b		

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Report Reference		Explanation of Audit Adjustments				
Adj. No.	Form	Page	Line	Reported	Increase (Decrease)	Audited
	A&I-2	1	E	1,494	0	1,494
6	A&I-2	1	F	233	(4)	229
	A&I-2	1	F			
	Total Hospital Discharges					
7	A&I-2	1	G	\$ 5,188,747	\$ (154,263)	\$ 5,034,484
	A&I-2	1	G	\$	\$	\$
	Total Medi-Cal Inpatient Charges - Noncontract					
	Total Medi-Cal Inpatient Charges - Contract					
	A&I-2	2	A-1	Depreciation Expense	\$ 1,242,154	\$ 0
A&I-2	2	A-2	Rent and Lease Expense	\$ 419,841	\$ 0	\$ 419,841
A&I-2	2	A-3	Interest Expense	\$ 363,454	\$ 0	\$ 363,454
A&I-2	2	A-4	Property Taxes and License Fees	\$ 48,135	\$ 0	\$ 48,135



**AUDIT ADJUSTMENTS**

Provider: SONOMA VALLEY HEALTHCARE DISTRICT		Provider No. ZZR00090F	Fiscal Period: JULY 1, 2007 THROUGH JUNE 30, 2008		No. of Adj: 18
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)
Adj. No.	Form	Page	Line	Reported	Audited
	A&I-2	2	A-5	\$ 650,148	\$ 650,148
	A&I-2	2	A-6	\$ 301,183	\$ 301,183
	A&I-2	2	B	\$ 42,639,135	\$ 42,639,135
	A&I-2	2	C-1	\$	\$
	A&I-2	2	C-2	\$ 1,394,809	\$ 1,394,809
	A&I-2	2	D	\$ 979,707	\$ 979,707
	A&I-2	2	E	\$ 307,918	\$ 307,918
	A&I-2	2	F-1	\$ 20,112,452	\$ 20,112,452
	A&I-2	2	F-2	\$ 6,481,453	\$ 6,481,453
	A&I-2	2	F-3	\$ 2,045,934	\$ 2,045,934
	A&I-2	2	F-4	\$ 3,839,802	\$ 3,839,802
	A&I-2	2	F-5	\$ 3,609,784	\$ 3,609,784
	A&I-2	2	F-6	\$ 842,361	\$ 842,361
8	A&I-2	3	A-1-a	\$ 3,091,758	\$ 2,661,771
	A&I-2	3	A-1-b	53,922	53,922
9	A&I-2	3	A-2-a	\$ 4,568,353	\$ 4,212,111
	A&I-2	3	A-2-b	117,862	117,862

**AUDIT ADJUSTMENTS**

Provider: SONOMA VALLEY HEALTHCARE DISTRICT		Provider No. ZZR00090F		Fiscal Period: JULY 1, 2007 THROUGH JUNE 30, 2008		No. of Adjs: 18		
Report Reference		Explanation of Audit Adjustments				Reported	Increase (Decrease)	Audited
Adj. No.	Form	Page	Line					
10	A&I-2	3	A-3-a	Productive Salaries - Registered Nurses		\$ 7,366,958	\$ 885,634	\$ 8,252,592
	A&I-2	3	A-3-b	Productive Hours		136,742	0	136,742
	A&I-2	3	A-4-a	Productive Salaries - Licensed Vocational Nurses		\$ 71,802	\$ 0	\$ 71,802
	A&I-2	3	A-4-b	Productive Hours		2,953	0	2,953
11	A&I-2	3	A-5-a	Productive Salaries - Aides and Orderlies		\$ 1,374,576	\$ 14,302	\$ 1,388,878
	A&I-2	3	A-5-b	Productive Hours		71,613	0	71,613
	A&I-2	3	A-6-a	Productive Salaries - Physicians (Salaried)		\$	\$	\$
	A&I-2	3	A-6-b	Productive Hours				
	A&I-2	3	A-7-a	Productive Salaries - Nonphysician Medical Practitioners		\$	\$	\$
	A&I-2	3	A-7-b	Productive Hours				
12	A&I-2	3	A-8-a	Productive Salaries - Environmental and Food Services		\$ 1,192,915	\$ (29,749)	\$ 1,163,166
	A&I-2	3	A-8-b	Productive Hours		66,080	(1,891.00)	64,189
14	A&I-2	3	A-9-a	Productive Salaries - Clerical and Other Administrative		\$ 2,401,245	\$ (76,714)	\$ 2,324,531
	A&I-2	3	A-9-b	Productive Hours		115,432		115,432
15	A&I-2	3	A-10-a	Productive Salaries - Other		\$ 0	\$ 37,601	\$ 37,601
	A&I-2	3	A-10-b	Productive Hours		0	1,891.00	1,891.00
	N/A	N/A	A-11-a	Nonproductive Salaries		\$ 2,254,041	\$ 0	\$ 2,254,041
	N/A	N/A	A-11-b	Nonproductive Hours		67,648	0	67,648
17	N/A	N/A	B 1	Subtotal Productive Salaries		\$ 20,067,607	\$ 44,845	\$ 20,112,452
	N/A	N/A	B 2	Subtotal Productive Hours		564,604	0	564,604
18	N/A	N/A	C	Total Productive and Nonproductive Salaries		\$ 22,321,648	\$ 44,845	\$ 22,366,493

**AUDIT ADJUSTMENTS**

Provider: SONOMA VALLEY HEALTHCARE DISTRICT		Provider No. ZZR00090F	Fiscal Period: JULY 1, 2007 THROUGH JUNE 30, 2008		No. of Adjs: 18
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)
Adj. No.	Form	Page	Line	Reported	Audited
	N/A	N/A	D	632,252	632,252
				0	

Total Productive and Nonproductive Hours

To adjust the Rate Development Worksheets to agree with audit adjustments and/or Provider records.  
Title 22, CCR, Section 51536

