

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

**SAN LEANDRO HOSPITAL
SAN LEANDRO, CALIFORNIA
PROVIDER NUMBER: ZZR00264I AND
NPI NUMBER: 1457317034**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Section Chief: Louise Wong
Audit Supervisor: Diana Dong
Auditor: Yasuhiro Doi**



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



EDMUND G. BROWN JR.
GOVERNOR

February 16, 2011

Gregg Tekawa
Director of Finance
Eden Medical Center
20103 Lake Chabot Road
Castro Valley, CA 94546

PROVIDER: SAN LEANDRO HOSPITAL
PROVIDER NO. ZZR00264I
NPI NO. 1457317034
FISCAL PERIOD ENDED DECEMBER 31, 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 costs, 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.

Gregg Tekawa
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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

RATE DEVELOPMENT WORKSHEETS

PROVIDER: SAN LEANDRO HOSPITAL
PROVIDER NO.: ZZR00264I
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 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)	\$ 5,958,925		\$ 0		\$ 5,958,925
B. Deductibles and Coinsurance (Third Party Liability) (Adj 2)	\$ 131,304		\$ 0		\$ 131,304
C. Medi-Cal Inpatient Days (Adjs 3, 4)					
1. Routine (Adults & Pediatrics)	1,983		0		1,983
2. ICU	307		0		307
3. CCU					
4. Nursery					
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges (Adj)	N/A		N/A		4,143
E. Total Medi-Cal Discharges (Adj 5)	536		0		536
F. Total Medi-Cal Inpatient Charges (Adj 6)	\$ 23,520,064		\$ 0		\$ 23,520,064

RATE DEVELOPMENT WORKSHEETS

PROVIDER: SAN LEANDRO HOSPITAL
PROVIDER NO. ZZR00264I
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 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	\$	1,500,336
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	1,028,909
3. Interest Expense:	8860, 8870	\$	180,000
4. Property Taxes and License Fees:	8850 and/or .83	\$	80,532
5. Utility Expense:	.77, .78, .79, and .80	\$	897,997
6. Malpractice Insurance Expense:	8830 and/or .81	\$	3,922
 B. GROSS OPERATING EXPENSES	Sch 10, line 101, col. 3	 \$	 78,223,868
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	1,956,370
D. PHARMACY NONLABOR EXPENSES	8390.37 and 8390.38	\$	1,658,389
E. FOOD SERVICES NONLABOR EXPENSES	8320, 8330 and 8340 and/or .42 and .43	\$	255,578
F. DIRECT OPERATING COSTS (Adjs 7,8,9)			
1. Salaries and Wages	.00 - .09, .91, .95	\$	38,754,311
2. Employee Benefits	.10 - .19, .92, .96	\$	12,499,767
3. Other Professional Fees	.21 - .29	\$	3,117,727
4. Purchased Services	.61 - .69	\$	6,775,808
5. Supplies	.31 - .36, .93, .97	\$	7,153,677
6. Other Direct Operating Expense	.85 - .90	\$	2,360,545

RATE DEVELOPMENT WORKSHEETS

PROVIDER: SAN LEANDRO HOSPITAL
PROVIDER NO.: ZZR00264I
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD: N/A

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	3,002,463
b. Productive Hours			49,931
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	6,891,889
b. Productive Hours			153,414
3. Registered Nurses			
a. Productive Salaries	.02	\$	14,450,817
b. Productive Hours			232,144
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	1,126,112
b. Productive Hours			33,474
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	1,537,629
b. Productive Hours			61,124
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	\$	1,328,184
b. Productive Hours			53,654
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	3,404,440
b. Productive Hours			126,388
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	586,103
b. Productive Hours			14,105
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	6,426,674
b. Nonproductive Hours	Report or Provider W/P		121,903
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		\$	<u>38,754,311</u>
2. Productive Hours (lines 1b - 10b)			<u>724,234</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		\$	<u>45,180,985</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			<u>846,137</u>

AUDIT ADJUSTMENTS

Provider: SAN LEANDRO HOSPITAL		Provider No. ZZR002641	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		No. of Adjs: 9	
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)	Audited
Adj. No.	Form	Page	Line	Reported		
<u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u>						
1	DHS 3094	1	A	\$ 5,574,941	\$ 383,984	\$ 5,958,925
	DHS 3094	1	A	\$	\$	\$
2	DHS 3094	1	B	\$ 0	\$ 131,304	\$ 131,304
	DHS 3094	1	B	\$	\$	\$
3	DHS 3094	1	C-1	1,757	226	1,983
	DHS 3094	1	C-1			
4	DHS 3094	1	C-2	270	37	307
	DHS 3094	1	C-2			
	DHS 3094	1	C-3			
	DHS 3094	1	C-3			
	DHS 3094	1	C-4			
	DHS 3094	1	C-4			
	DHS 3094	1	C-5			
	DHS 3094	1	C-5			
	DHS 3094	1	C-6a			
	DHS 3094	1	C-6a			

AUDIT ADJUSTMENTS

Provider:		Provider No.		Fiscal Period:		No. of Adjs:	
SAN LEANDRO HOSPITAL		ZZR002641		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		9	
Adj. No.	Report Reference		Explanation of Audit Adjustments	Reported	Increase (Decrease)	Audited	
	Form	Page					Line
	DHS 3094	1	C-6b				
	DHS 3094	1	C-6b				
5	DHS 3094	1	E	4,143	0	4,143	
	DHS 3094	1	F	442	94	536	
6	DHS 3094	1	G	\$ 20,781,539	\$ 2,738,525	\$ 23,520,064	
	DHS 3094	1	G	\$	\$	\$	
	DHS 3094	2	A-1	\$ 1,500,336	0	\$ 1,500,336	
	DHS 3094	2	A-2	\$ 1,028,909	0	\$ 1,028,909	
	DHS 3094	2	A-3	\$ 180,000	0	\$ 180,000	
	DHS 3094	2	A-4	\$ 80,532	0	\$ 80,532	
	DHS 3094	2	A-5	\$ 897,997	0	\$ 897,997	
	DHS 3094	2	A-6	\$ 3,922	0	\$ 3,922	
	DHS 3094	2	B	\$ 78,223,868	0	\$ 78,223,868	
	DHS 3094	2	C-1	\$	\$	\$	
	DHS 3094	2	C-2	\$ 1,956,370	0	\$ 1,956,370	

AUDIT ADJUSTMENTS

Provider: SAN LEANDRO HOSPITAL		Provider No. ZZR002641	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		No. of Adjs: 9	
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)	Audited
Adj. No.	Form	Page	Line	Reported		
	DHS 3094	2	D	\$ 1,658,389	\$ 0	\$ 1,658,389
	DHS 3094	2	E	\$ 255,578	\$ 0	\$ 255,578
7	DHS 3094	2	F-1	\$ 39,507,709	\$ (753,398)	\$ 38,754,311
8	DHS 3094	2	F-2	\$ 11,746,369	\$ 753,398	\$ 12,499,767
	DHS 3094	2	F-3	\$ 3,117,727	\$ 0	\$ 3,117,727
	DHS 3094	2	F-4	\$ 6,775,808	\$ 0	\$ 6,775,808
	DHS 3094	2	F-5	\$ 7,153,677	\$ 0	\$ 7,153,677
9	DHS 3094	2	F-6	\$ 0	\$ 2,360,545	\$ 2,360,545
	DHS 3094	3	A-1-a	\$ 3,002,463	\$ 0	\$ 3,002,463
	DHS 3094	3	A-1-b	49,931	0	49,931
	DHS 3094	3	A-2-a	\$ 6,891,889	\$ 0	\$ 6,891,889
	DHS 3094	3	A-2-b	153,414	0	153,414
	DHS 3094	3	A-3-a	\$ 14,450,817	\$ 0	\$ 14,450,817
	DHS 3094	3	A-3-b	232,144	0	232,144
	DHS 3094	3	A-4-a	\$ 1,126,112	\$ 0	\$ 1,126,112
	DHS 3094	3	A-4-b	33,474	0	33,474

AUDIT ADJUSTMENTS

Provider: SAN LEANDRO HOSPITAL		Provider No. ZZR00264I	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		No. of Adjs: 9	
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)	Audited
Adj. No.	Form	Page	Line	Reported		
	DHS 3094	3	A-5-a	\$ 1,537,629	\$ 0	\$ 1,537,629
	DHS 3094	3	A-5-b	61,124	0	61,124
	DHS 3094	3	A-6-a			
	DHS 3094	3	A-6-b			
	DHS 3094	3	A-7-a			
	DHS 3094	3	A-7-b			
	DHS 3094	3	A-8-a	\$ 1,328,184	\$ 0	\$ 1,328,184
	DHS 3094	3	A-8-b	53,654	0	53,654
	DHS 3094	3	A-9-a	\$ 3,404,440	\$ 0	\$ 3,404,440
	DHS 3094	3	A-9-b	126,388	0	126,388
	DHS 3094	3	A-10-a	\$ 586,103	\$ 0	\$ 586,103
	DHS 3094	3	A-10-b	14,105	0	14,105
	DHS 3094	N/A	A-11-a	\$ 6,426,674	\$ 0	\$ 6,426,674
	DHS 3094	N/A	A-11-b	121,903	0	121,903
	DHS 3094	N/A	B 1	\$ 32,327,637	\$ 0	\$ 32,327,637
	DHS 3094	N/A	B 2	724,234	0	724,234
	DHS 3094	N/A	C	\$ 38,754,311	\$ 0	\$ 38,754,311
	DHS 3094	N/A	D	846,137	0	846,137

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

**FINANCIAL AUDITS BRANCH
DETERMINATION OF MEDI-CAL DISCHARGES**

PROVIDER SAN LEANDRO HOSPITAL	PROVIDER NO. ZZR00264I	FPE DECEMBER 31, 2008
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SOURCE: Paid Claims Detail Report (SU-0-140)

MONTH/YR	TOTAL LINES	ADJUSTMENTS					ADJUSTED TOTAL	
		NURSERY	DB & CR ENTRIES	ZERO DAYS	30 & 31 CODES	"V" CODE		OTHER (EXPLAIN)
JANUARY 2008	183		(111)	(9)		(2)	(5)	56
FEBRUARY 2008	137		(83)	(3)		(2)	(2)	47
MARCH 2008	102		(54)	(4)			(1)	43
APRIL 2008	73		(8)	(10)			(1)	54
MAY 2008	53			(3)		(2)		48
JUNE 2008	53		(2)	(5)			(1)	45
JULY 2008	49			(7)			(1)	41
AUGUST 2008	55		(8)	(6)			(3)	38
SEPTEMBER 2008	42		(2)	(4)			(1)	35
OCTOBER 2008	56		(3)	(6)			(2)	45
NOVEMBER 2008	51		(4)	(9)			(1)	37
DECEMBER 2008	58		(2)	(9)				47
TOTALS	912		(277)	(75)		(6)	(18)	536