

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

**ST. HELENA HOSPITAL  
ST. HELENA, CALIFORNIA  
PROVIDER NUMBER: ZZR00013F AND  
NPI NUMBER: 1720078082**

**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: Sandra Garcia  
Auditor: Medy Lamorena**



TOBY DOUGLAS  
*Director*

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



EDMUND G. BROWN JR.  
*Governor*

March 18, 2011

John Maerzke, B.SC, CGA  
Regional Director, Finance  
St. Helena Hospital  
10 Woodland Road, #3 Oak  
St. Helena, CA 94574

PROVIDER: ST. HELENA HOSPITAL  
PROVIDER NO. ZZR00013F AND NPI NO. 1720078082  
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 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

John Maerzke  
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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:** ST. HELENA HOSPITAL  
**PROVIDER NO.:** ZZR00013F  
**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)	\$ 5,151,339		\$ 0		\$ 5,151,339
B. Deductibles and Coinsurance (Third Party Liability) (Adj. 2)	\$ 80,993		\$ 0		\$ 80,993
C. Medi-Cal Inpatient Days (Adjs. 3 - 5)					
1. Routine (Adults & Pediatrics)	1,129		0		1,129
2. ICU	271		0		271
3. CCU					
4. Nursery	179		0		179
5. NICU					
6. Other (Specify)					
a.					
b.					
D. Total Hospital Discharges (Adj. )	N/A		N/A		3,780
E. Total Medi-Cal Discharges (Adj. 6)	327		0		327
F. Total Medi-Cal Inpatient Charges (Adj. 7)	\$ 23,079,165		\$ 0		\$ 23,079,165

## RATE DEVELOPMENT WORKSHEETS

**PROVIDER:** ST. HELENA HOSPITAL  
**PROVIDER NO.** ZZR00013F  
**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	\$	4,984,904
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	869,745
3. Interest Expense:	8860, 8870	\$	1,182,800
4. Property Taxes and License Fees:	8850 and/or .83	\$	340,759
5. Utility Expense:	.77, .78, .79, and .80	\$	1,471,426
6. Malpractice Insurance Expense:	8830 and/or .81	\$	131,447
 B. GROSS OPERATING EXPENSES	 Sch 10, line 101, col. 3	 \$	 122,956,512
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	7,144,297
D. PHARMACY NONLABOR EXPENSES	8390.37 and 8390.38	\$	4,821,583
E. FOOD SERVICES NONLABOR EXPENSES	8320, 8330 and 8340 and/or .42 and .43	\$	1,024,032
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	52,787,738
2. Employee Benefits	.10 - .19, .92, .96	\$	14,328,890
3. Other Professional Fees	.21 - .29	\$	5,982,889
4. Purchased Services	.61 - .69	\$	11,150,826
5. Supplies	.31 - .36, .93, .97	\$	13,201,725
6. Other Direct Operating Expense	.85 - .90	\$	3,533,451

**RATE DEVELOPMENT WORKSHEETS**

**PROVIDER:** ST. HELENA HOSPITAL  
**PROVIDER NO.:** ZZR00013F  
**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	\$	6,138,521
b. Productive Hours			102,032
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	13,608,723
b. Productive Hours			380,800
3. Registered Nurses			
a. Productive Salaries	.02	\$	16,389,620
b. Productive Hours			303,641
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	1,435,476
b. Productive Hours			48,154
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	1,092,163
b. Productive Hours			52,417
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	
b. Productive Hours			
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	247,594
b. Productive Hours			4,181
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	3,560,459
b. Productive Hours			177,319
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	5,001,508
b. Productive Hours			250,449
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	
b. Productive Hours			
11. All Nonproductive Salaries and Wages			
a. Nonproductive Salaries	Labor Distribution	\$	5,313,675
b. Nonproductive Hours	Report or Provider W/P		156,009
<b>B. SUBTOTALS DIRECT PAYROLL COSTS</b>			
1. Productive Salaries (lines 1a - 10a)		\$	<u>47,474,064</u>
2. Productive Hours (lines 1b - 10b)			<u>1,318,993</u>
<b>C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)</b>		<b>\$</b>	<b><u>52,787,739</u></b>
<b>D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)</b>			<b><u>1,475,002</u></b>

**AUDIT ADJUSTMENTS**

Provider: ST. HELENA HOSPITAL		Provider No. ZZR00013F	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		No. of Adj: 19	
Report Reference		Explanation of Audit Adjustments			Increase (Decrease)	Audited
Adj. No.	Form	Page	Line		Reported	
<b><u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u></b>						
1	DHS 3094	1	A	Medi-Cal Net Cost of Covered Services - Noncontract	\$ 5,824,032	\$ 5,151,339
	DHS 3094	1	A	Medi-Cal Net Cost of Covered Services - Contract	\$	\$
2	DHS 3094	1	B	Deductibles and Coinsurance - Noncontract	\$ 43,629	\$ 80,993
	DHS 3094	1	B	Deductibles and Coinsurance - Contract	\$	\$
3	DHS 3094	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract	1,225	1,129
	DHS 3094	1	C-1	Medi-Cal Inpatient Days - Adults and Peds - Contract		(96)
4	DHS 3094	1	C-2	Medi-Cal Inpatient Days - ICU - Noncontract	272	271
	DHS 3094	1	C-2	Medi-Cal Inpatient Days - ICU - Contract		(1)
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - CCU - Noncontract	0	0
	DHS 3094	1	C-3	Medi-Cal Inpatient Days - CCU - Contract		0
5	DHS 3094	1	C-4	Medi-Cal Inpatient Days - Nursery - Noncontract	199	179
	DHS 3094	1	C-4	Medi-Cal Inpatient Days - Nursery - Contract		(20)
	DHS 3094	1	C-5	Medi-Cal Inpatient Days - NICU - Noncontract	0	0
	DHS 3094	1	C-5	Medi-Cal Inpatient Days - NICU - Contract		0
	DHS 3094	1	C-6a	Medi-Cal Inpatient Days - _____ Noncontract	0	0
	DHS 3094	1	C-6a	Medi-Cal Inpatient Days - _____ Contract		0





## AUDIT ADJUSTMENTS

Provider: ST. HELENA HOSPITAL		Provider No. ZZR00013F	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	No. of Adjs: 19	
Report Reference		Explanation of Audit Adjustments	Reported	Increase (Decrease)	Audited
Adj. No.	Form Page				
11	DHS 3094 2	E	\$ 501,677	\$ 522,355	\$ 1,024,032
		Food Services Nonlabor Expense			
	DHS 3094 2	F-1	\$ 52,787,738	\$ 0	\$ 52,787,738
		Direct Operating - Salaries and Wages			
12	DHS 3094 2	F-2	\$ 8,900,845	\$ 5,428,045	\$ 14,328,890
		Direct Operating - Employee Benefits			
	DHS 3094 2	F-3	\$ 5,982,889	\$ 0	\$ 5,982,889
		Direct Operating - Other Professional Fees			
13	DHS 3094 2	F-4	\$ 9,877,774	\$ 1,273,052	\$ 11,150,826
		Direct Operating - Purchased Services			
14	DHS 3094 2	F-5	\$ 20,067,668	\$ (6,865,943)	\$ 13,201,725
		Direct Operating - Supplies			
15	DHS 3094 2	F-6	\$ 0	\$ 3,533,451	\$ 3,533,451
		Other Direct Operating Expense			
	DHS 3094 3	A-1-a	\$ 6,138,521	\$ 0	\$ 6,138,521
	DHS 3094 3	A-1-b	102,032	0	102,032
		Productive Salaries - Management and Supervision Productive Hours			
	DHS 3094 3	A-2-a	\$ 13,608,723	\$ 0	\$ 13,608,723
	DHS 3094 3	A-2-b	380,800	0	380,800
		Productive Salaries - Technicians and Specialists Productive Hours			
	DHS 3094 3	A-3-a	\$ 16,389,620	\$ 0	\$ 16,389,620
	DHS 3094 3	A-3-b	303,641	0	303,641
		Productive Salaries - Registered Nurses Productive Hours			
	DHS 3094 3	A-4-a	\$ 1,435,476	\$ 0	\$ 1,435,476
	DHS 3094 3	A-4-b	48,154	0	48,154
		Productive Salaries - Licensed Vocational Nurses Productive Hours			
	DHS 3094 3	A-5-a	\$ 1,092,163	\$ 0	\$ 1,092,163
	DHS 3094 3	A-5-b	52,417	0	52,417
		Productive Salaries - Aides and Orderlies Productive Hours			
	DHS 3094 3	A-6-a	\$ 0	\$ 0	\$ 0
	DHS 3094 3	A-6-b	0	0	0
		Productive Salaries - Physicians (Salaried) Productive Hours			

**AUDIT ADJUSTMENTS**

Provider: ST. HELENA HOSPITAL		Provider No. ZZR00013F	Fiscal Period: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		No. of Adjts: 19		
Report Reference		Explanation of Audit Adjustments		Reported	Increase (Decrease)	Audited	
Adj. No.	Form	Page	Line				
	DHS 3094	3	A-7-a	Productive Salaries - Nonphysician Medical Practitioners	\$ 247,594	\$ 0	\$ 247,594
	DHS 3094	3	A-7-b	Productive Hours	4,181	0	4,181
	DHS 3094	3	A-8-a	Productive Salaries - Environmental and Food Services	\$ 3,560,459	\$ 0	\$ 3,560,459
	DHS 3094	3	A-8-b	Productive Hours	177,319	0	177,319
	DHS 3094	3	A-9-a	Productive Salaries - Clerical and Other Administrative	\$ 5,001,508	\$ 0	\$ 5,001,508
	DHS 3094	3	A-9-b	Productive Hours	250,449	0	250,449
	DHS 3094	3	A-10-a	Productive Salaries - Other	\$ 0	\$ 0	\$ 0
	DHS 3094	3	A-10-b	Productive Hours	0	0	0
	N/A	N/A	A-11-a	Nonproductive Salaries	\$ 5,313,675	\$ 0	\$ 5,313,675
	N/A	N/A	A-11-b	Nonproductive Hours	156,009	0	156,009
16	N/A	N/A	B 1	Subtotal Productive Salaries	\$ 47,474,063	\$ 1	\$ 47,474,064
17	N/A	N/A	B 2	Subtotal Productive Hours	1,318,991	2	1,318,993
18	N/A	N/A	C	Total Productive and Nonproductive Salaries	\$ 52,787,738	\$ 1	\$ 52,787,739
19	N/A	N/A	D	Total Productive and Nonproductive Hours	1,475,000	2	1,475,002

To adjust the Rate Development Worksheets to agree with audit adjustments and/or Provider records.

Title 22, CCR, Section 51536

