

**REPORT
ON THE AUDIT OF
RATE DEVELOPMENT BRANCH SCHEDULES
SIMI VALLEY HOSPITAL AND HEALTH CARE SERVICES
SIMI VALLEY, CALIFORNIA
PROVIDER NUMBERS: ZZT 30236F / NPI 1063495190
FISCAL PERIOD ENDED
DECEMBER 31, 2008**

**Audits Section—Burbank
Financial Audits Branch
Audits and Investigations
California Department of Health Care Services**

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Debra K. Blake
Auditor: Lee Ly**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

August 12, 2010

Administrator
Simi Valley Hospital and Health Care Services
2975 North Sycamore Drive
Simi Valley, CA 93065

PROVIDER: SIMI VALLEY HOSPITAL AND HEALTH CARE SERVICES
PROVIDER NOS. ZZT 30236F / NPI 1063495190
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 limited review.

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.

If you disagree with the decision of the Department, you may appeal by writing to:

Chief
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(916) 322-5603

Administrator
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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
PO 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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

RATE DEVELOPMENT WORKSHEETS

PROVIDER: SIMI VALLEY HOSPITAL AND HEALTH CARE SERVICES
PROVIDER NOS. ZZT 30236F / NPI 1063495190
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD: NOT APPLICABLE

	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)	\$ 3,483,476		\$ 0		\$ 3,483,476
B. Deductibles and Coinsurance (Third Party Liability) (Adj. 2)	\$ 72,071		\$ 0		\$ 72,071
C. Medi-Cal Inpatient Days (Adjs. 3 and 4)					
1. Routine (Adults & Pediatrics)	966		0		966
2. ICU	302		0		302
3. CCU	0		0		0
4. Nursery	107		0		107
5. NICU	0		0		0
6. Other (Specify)					
a.	0		0		0
b.	0		0		0
D. Total Hospital Discharges (Adj. 5)	N/A		N/A		4,946
E. Charges (Adj. 6)	269		0		269
F. Total Medi-Cal Inpatient Charges (Adj. 7)	\$ 12,130,272		\$ 0		\$ 12,130,272

RATE DEVELOPMENT WORKSHEETS

PROVIDER: SIMI VALLEY HOSPITAL AND HEALTH CARE SERVICES
PROVIDER NOS. ZZT 30236F / NPI 1063495190
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD: NOT APPLICABLE

A. EXPENSE PASS-THROUGH DATA	<u>REFERENCE</u>		
1. Depreciation Expense:	8810 - 8813, and/or .71, .72, .73 and .74	\$	3,548,435
2. Rent and Lease Expense:	8820, and/or .75 and .76	\$	1,752,228
3. Interest Expense:	8860, 8870	\$	3,496,807
4. Property Taxes and License Fees: (Adj. 8)	8850 and/or .83	\$	227,768
5. Utility Expense:	.77, .78, .79, and .80	\$	1,835,978
6. Malpractice Insurance Expense:	8830 and/or .81	\$	225,211
 B. GROSS OPERATING EXPENSES (Adj. 9)	 W/S A, line 101, col. 3	 \$	 91,976,493
C. STUDENT AND PHYSICIANS COMPENSATION			
1. Salaries and Wages (include benefits)	.07, 8210.09 - 8290.09	\$	0
2. Professional Fees	.20	\$	2,613,000
D. PHARMACY NONLABOR EXPENSES (Adj. 10)	8390.37 and 8390.38	\$	94,338
E. FOOD SERVICES NONLABOR EXP. (Adj. 11)	8320, 8330 and 8340 and/or .42 and .43	\$	164,396
F. DIRECT OPERATING COSTS			
1. Salaries and Wages	.00 - .09, .91, .95	\$	40,111,342
2. Employee Benefits	Sch 10, line 5, col. 3	\$	9,571,713
3. Other Professional Fees	.21 - .29	\$	4,474,380
4. Purchased Services (Adj. 12)	.61 - .69	\$	10,002,418
5. Supplies (Adj. 13)	.31 - .36, .93, .97	\$	10,750,487

RATE DEVELOPMENT WORKSHEETS

PROVIDER: SIMI VALLEY HOSPITAL AND HEALTH CARE SERVICES
PROVIDER NOS. ZZT 30236F / NPI 1063495190
FISCAL PERIOD: JANUARY 1, 2008 THROUGH DECEMBER 31, 2008
CONTRACT PERIOD: NOT APPLICABLE

A. DIRECT PAYROLL COSTS (Totals)	<u>REFERENCE</u>		
1. Management and Supervision			
a. Productive Salaries	.00	\$	4,068,821
b. Productive Hours			86,957.00
2. Technicians and Specialists			
a. Productive Salaries	.01	\$	9,217,442
b. Productive Hours			231,624.00
3. Registered Nurses			
a. Productive Salaries	.02	\$	14,616,041
b. Productive Hours			396,825.00
4. Licensed Vocational Nurses			
a. Productive Salaries	.03	\$	922,439
b. Productive Hours			32,351.00
5. Aides and Orderlies			
a. Productive Salaries	.04	\$	1,717,697
b. Productive Hours			91,588.00
6. Physicians (Salaried)			
a. Productive Salaries	.07	\$	0
b. Productive Hours			0.00
7. Nonphysician Medical Practitioners			
a. Productive Salaries	.08	\$	0
b. Productive Hours			0.00
8. Environmental and Food Services			
a. Productive Salaries	.06	\$	1,013,858
b. Productive Hours			56,357.00
9. Clerical and Other Administrative			
a. Productive Salaries	.05	\$	4,480,521
b. Productive Hours			251,224.00
10. Other Salaries and Wages			
a. Productive Salaries	.09	\$	0
b. Productive Hours			0.00
11. All Nonproductive Salaries and Wages			
a. Productive Salaries	Labor Distribution	\$	4,074,523
b. Productive Hours	Report or Provider W/P		102,899.00
B. SUBTOTALS DIRECT PAYROLL COSTS			
1. Productive Salaries (lines 1a - 10a)		\$	<u>36,036,819</u>
2. Productive Hours (lines 1b - 10b)			<u>1,146,926.00</u>
C. TOTAL PRODUCTIVE AND NONPRODUCTIVE SALARIES (11a + B1)		\$	<u>40,111,342</u>
D. TOTAL PRODUCTIVE AND NONPRODUCTIVE HOURS (11b + B2)			<u>1,249,825.00</u>

AUDIT ADJUSTMENTS

Provider:		Provider Nos.	Fiscal Period:		No. of Adjs:	
SIMI VALLEY HOSPITAL AND HEALTH CARE SERVICES		ZZT 30236F / NPI 1063495190	JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		13	
Report Reference			Explanation of Audit Adjustments	Reported	Increase (Decrease)	Audited
Adj. No.	Form	Page Line				
			<u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u>			
1	DHS 3094	3 A	Medi-Cal Net Cost of Covered Services - Noncontract	\$ 3,735,458	\$ (251,982)	\$ 3,483,476
2	DHS 3094	3 B	Deductibles and Coinsurance - Noncontract	\$ 57,493	\$ 14,578	\$ 72,071
3	DHS 3094	3 C-1	Medi-Cal Inpatient Days - Adults and Peds - Noncontract	1,003	(37)	966
4	DHS 3094	3 C-2	Medi-Cal Inpatient Days - ICU - Noncontract	332	(30)	302
5	DHS 3094	3 D	Total Hospital Discharges	4,461	485	4,946
6	DHS 3094	3 E	Total Medi-Cal Discharges - Acute - Noncontract	268	1	269
7	DHS 3094	3 F	Total Medi-Cal Inpatient Charges - Noncontract	\$ 12,814,004	\$ (683,732)	\$ 12,130,272
8	DHS 3094	4 A-4	Property Taxes and License Fees	\$ 326,443	\$ (98,675)	\$ 227,768
9	DHS 3094	4 B	Gross Operating Expenses	\$ 87,385,336	\$ 4,591,157	\$ 91,976,493
10	DHS 3094	4 D	Pharmacy Nonlabor Expense	\$ 2,881,582	\$ (2,787,244)	\$ 94,338
11	DHS 3094	4 E	Food Services Nonlabor Expense	\$ 702,853	\$ (538,457)	\$ 164,396

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Report Reference			Explanation of Audit Adjustments	Reported	Increase (Decrease)	Audited
Adj. No.	Form	Page Line				
-Continued from previous page-			<p><u>ADJUSTMENTS TO RATE DEVELOPMENT WORKSHEETS</u></p> <p>Direct Operating - Purchased Services</p> <p>Direct Operating - Supplies</p> <p>To adjust the Rate Development Worksheets to agree with audit adjustments and/or Provider records. Title 22, CCR, Section 51536</p>	\$ 10,166,266	\$ (163,848)	\$ 10,002,418
12	DHS 3094	4 F-4		\$ 10,845,373	\$ (94,886)	\$ 10,750,487
13	DHS 3094	4 F-5				