

PROVIDER REIMBURSEMENT REVIEW BOARD DECISION

2013-D7

PROVIDERS-

HLB Wage Index Pension and Post Retirement Cost Groups- FFY 2007 and 2008

Provider Nos.: Various (See Appendix I)

vs.

INTERMEDIARIES -

BlueCross BlueShield Association/ Palmetto GBA; Palmetto GBA c/o First Coast Service Options, Inc.; Wisconsin Physicians Service and Novitas Solutions, Inc.

DATE OF HEARING -

June 14, 2011

Federal Fiscal Years -

2007 and 2008

CASE NOS.: Various (See Appendix I)

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ISSUE:

Whether the Intermediary improperly eliminated or reduced the pension and postretirement benefit (“PRB”) costs of the University of California medical centers (“UC Providers”), and the pension costs of the Catholic Healthcare West medical centers (“CHW Providers”) for the purposes of computing their prospective payment system (“PPS”) wage indexes for federal fiscal years (“FFYs”) 2007 and 2008.

MEDICARE STATUTORY AND REGULATORY BACKGROUND:

This is a dispute over the proper amount of Medicare reimbursement due a provider of medical services.

The Medicare program was established under Title XVIII of the Social Security Act, as amended (“Act”), to provide health insurance to the aged and disabled. Title XVIII of the Act was codified at 42 U.S.C. Chapter 7, Subchapter XVIII. The Centers for Medicare and Medicaid Services (“CMS”), formerly the Health Care Financing Administration (“HCFA”), is the operating component of the Department of Health and Human Services (“DHHS”) charged with administering the Medicare program. CMS’ payment and audit functions under the Medicare program are contracted to organizations known as fiscal intermediaries (“FIs”) and Medicare administrative contractors (“MACs”).¹ Intermediaries determine payment amounts due the providers under Medicare law, regulation, and interpretive guidelines published by CMS.²

The operating and capital costs of inpatient hospital services are reimbursed by Medicare primarily through the PPS.³ As part of the methodology for determining prospective payments to hospitals, the Medicare statute requires the Secretary to adjust the wage portion of the DRG payment by a factor reflecting the relative hospital wage level in the geographical location of the hospital compared to the national average hospital wage level.⁴ The Secretary establishes a wage index for each Core Based Statistical Area (“CBSA”) and for each statewide area that is not within a CBSA (*i.e.*, rural area).⁵ Beginning October 1, 1993, the statute required CMS to update the wage index annually.⁶ CMS bases the annual update on a survey of wages and wage-related costs taken from Worksheet S-3 of the cost reports filed annually by each hospital paid under the PPS.

Medicare regulations located in 42 C.F.R. Part 413 speak generally about Medicare principles for determining costs and the liquidation of liabilities.⁷ In particular, 42 C.F.R. § 413.100(a) states:

(a) *Principle.* As described in § 413.24(b)(2), under the accrual basis of accounting, revenue is reported in the period in which it is earned and expenses are reported in the period in which they are

¹ FIs and MACs are hereinafter referred to as intermediaries.

² 42 U.S.C. § 1395h; 42 C.F.R. §§ 413.20 and 413.24.

³ 42 U.S.C. § 1395ww(d).

⁴ 42 U.S.C. § 1395ww(d)(3)(E).

⁵ See 69 Fed. Reg. 48916, 49026-49027 (Aug. 11, 2004).

⁶ 42 U.S.C. § 1395ww(d)(3)(E)(i).

⁷ See 42 C.F.R. §§ 413.9 and 413.100.

incurred. In the case of accrued costs described in this section, for Medicare payment purposes the costs are allowable in the year in which the costs are accrued and claimed for Medicare payment only under the conditions set forth in paragraph (c) of this section.

The Provider Reimbursement Manual, CMS Pub. 15-1, Part 1 (“PRM 15-1” or “Manual”) § 2140 *et seq.* provides additional guidance on these regulations as it relates to deferred compensation such as pension costs.

Two final rules published in the Federal Register are central to this controversy. The first was published on September 1, 1994 (“September 1994 Final Rule”)⁸ and the second was published on August 12, 2005 (“August 2005 Final Rule”).⁹ In the preamble to the September 1994 Final Rule, CMS stated the following with respect to the reporting of wage-related costs for the wage index using Generally Accepted Accounting Principles (“GAAP”):

[B]eginning on or after October 1, 1994, hospitals are required to follow Generally Accepted Accounting Principles (GAAP) in developing the wage-related costs contained in the Worksheet S-3, Part II, for purposes of the hospital wage index. Medicare principles, however, will continue to apply in determining the allowability of fringe benefits costs. . . . We believe it is appropriate to apply GAAP for these purposes because the function of the wage index is to measure *relative* hospital labor costs across areas. This function is distinct from that of cost reimbursement, in which applicable Medicare principles (which may differ from GAAP) measure the actual costs incurred by individual hospitals. We believe the application of GAAP for purposes of compiling data on wage-related costs used to construct the wage index will more accurately reflect relative labor costs, because certain wage-related costs (such as pension costs) as recorded under GAAP tend to be more static from year to year. Application of Medicare principles, on the other hand, could create large swings in these costs from year to year, particularly in years when there are large over- or under-funded pension estimates: such application might lead to a wage index that does not accurately reflect relative labor costs. Again, we emphasize that GAAP applies *only* for purposes of developing wage-related cost on Worksheet S-3 Part II. Our policy requiring the use of applicable Medicare principles for determining fringe benefits for all other purposes remains unchanged.¹⁰

CMS’ policy pronouncement in the September 1994 Final Rule will hereinafter be referred to as the “1994 GAAP Policy.”

⁸ 59 Fed. Reg. 45330 (Sept. 1, 1994) (excerpt at Provider Exhibit P-31 at 968-972).

⁹ 70 Fed. Reg. 47278 (Aug. 12, 2005).

¹⁰ 59 Fed. Reg. at 45357 (emphasis in original) (excerpt at Provider Exhibit P-31 at 968-972).

In the preamble to the August 2005 Final Rule, CMS stated the following to clarify the requirements for reporting of pension and other deferred compensation plan costs for the wage index by requiring compliance with the requirements in 42 C.F.R. § 413.100:

Since publication of the September 1, 1994 rule, we have periodically received inquiries for more specific guidance on developing wage-related costs for the wage index. In response, we have provided clarifications in the IPPS rules (for example, health insurance costs (66 FR 39859)) and in the cost report instructions (Provider Reimbursement Manual (PRM), Part II, Section 3605.2). Due to recent questions and concerns we received regarding inconsistent reporting and over reporting of pension and other deferred compensation plan costs, as a result of an ongoing Office of Inspector General review, we are clarifying in this final rule that hospitals must comply with the requirements in 42 CFR 413.100, the PRM, Part I, sections 2140, 2141, and 2412, and related Medicare program instructions for developing pension and other deferred compensation plan costs as wage-related costs for the wage index. The Medicare instructions for pension costs and other deferred compensation costs combine GAAPs, Medicare payment principles, and Department of Labor and Internal Revenue Service requirements. We believe that the Medicare instructions allow for both consistent reporting among hospitals and for the development of reasonable deferred compensation plan costs for purposes of the wage index.

With the FY 2007 wage index, hospital and fiscal intermediaries must ensure that pension, post-retirement health benefits and other deferred compensation plan costs for the wage index are developed according to the above terms.¹¹

CMS' policy pronouncement in the August 2005 Final Rule will be referred to as the "2005 Pension Policy."

The parties dispute the amount of the pension and postretirement benefit (PRB) costs that should be reported on Worksheet S-3 for purposes of the wage index.

STATEMENT OF THE CASE AND PROCEDURAL HISTORY:

Twenty provider groups ("Providers") are represented in this appeal.¹² The Providers appealed the final determination of CMS regarding the computation of the FFYs 2007 and/or 2008 wage

¹¹ 70 Fed. Reg. at 47369 (excerpt at Provider Exhibit P-31 at 988-991).

¹² See Appendix I for a listing of the twenty provider groups remaining in this appeal. The following two other provider groups were removed from this appeal prior to the Decision due to adverse jurisdiction findings: Case No.

indexes for their CBSAs. It is uncontested the Providers have exhausted remedies for seeking reimbursement for the pension costs in controversy, as prescribed by CMS.

The Providers have met the jurisdictional requirements of 42 C.F.R. §§ 405.1835-405.1841. The Providers were represented by Jonathan P. Neustadter, Esq., of Hooper, Lundy & Bookman, P.C. The Intermediary was represented by Bernard M. Talbert, Esq., of the BlueCross BlueShield Association.

PROVIDERS' CONTENTIONS:

The Providers believe that, for purposes of the wage index for FFYs 2007 and 2008, the Intermediaries inappropriately disallowed the pension costs that the Providers claimed on Worksheet S-3 using GAAP because the Intermediaries inappropriately limited the allowable amounts to the amounts funded and liquidated within a year. In addition, the Providers argue that, for purposes of the wage index for FFY 2008, the Intermediaries inappropriately reduced pension costs that the CHW Providers claimed on Worksheet S-3 because when computing the actuarial accrued liability ("AAL") for pension costs the Intermediaries inappropriately changed the amortization period from 5 years to 10 years.

APPLYING THE 2005 PENSION POLICY TO THE PROVIDERS FOR FFYs 2007 AND 2008:

The Providers contend that, during the cost reporting years that were used to develop the wage index for FFYs 2007 and 2008, they were not on notice to report pension costs on Worksheet S-3 using any methodology other than GAAP, pursuant to clear instructions by CMS in the September 1994 Final Rule. In particular, the Providers contend that CMS and the Intermediaries may not retroactively apply a substantive change in policy to the cost reports from 2004 and 2005 that were used to develop the wage index for FFYs 2007 and 2008.

The Providers contend that, as applied by the Intermediaries to the UC and CHW Providers, the 2005 Pension Policy published in the August 2005 Final Rule was a radical and substantive change in established policy and that making it applicable to costs incurred and already claimed in prior cost reporting years is the essence of improper retroactive rulemaking.¹³ The Providers contend that the 2005 Pension Policy changed the way that providers have historically included pension costs as part of the wage survey on Worksheet S-3 and added regulatory requirements nowhere to be found in the pre-2005 version of the policy. The Providers state that, through the 1994 GAAP Policy published in the September 1994 Final Rule, CMS set forth a clear rationale for the use of GAAP for reporting wage-related costs for purposes of the wage index. Specifically, CMS stated unequivocally that the funding and liquidation considerations that existed under the Medicare cost reimbursement principles were not appropriate for use in developing the wage index because they would distort the consistency needed to measure

relative labor costs.¹⁴ Accordingly, the 2005 Pension Policy was a sharp diversion from the 1994 GAAP Policy and not merely a “clarification.”¹⁵

As further evidence that the 2005 Pension Policy was a sharp diversion from the 1994 GAAP Policy as opposed to merely a “clarification,” the Providers contend that the pre-2005 authorities cited by CMS did not reverse, clarify, or even impact the 1994 GAAP Policy.¹⁶ The Providers contend that the liquidation of liability rule set forth at 42 C.F.R. § 413.100 and codified in 1995 applies only to services paid on a reasonable cost basis, not inpatient PPS services. To this end, the cost reporting instructions actually distinguish between the use of GAAP for wage index purposes and the use of Medicare principles for cost reporting for reasonable cost reimbursement purposes.¹⁷ Further, the Providers maintain that none of the subsequent changes to these cost reporting instructions (neither the note added in August 2002¹⁸ nor the two sentences added to that note in June 2003¹⁹) put providers on notice that pension and PRB costs could only be claimed for wage index purposes if they met the timely liquidation requirements and other Medicare cost reimbursement requirements.

The Providers maintain that the Intermediary’s application of the 2005 Pension Policy violates the Administrative Procedure Act,²⁰ and constitutes prohibited retroactive rulemaking.²¹ They note that retroactive application of this policy pronouncement is contrary to CMS’ own longstanding prospective policy regarding wage survey data and the wage index. The problematic retroactivity stems from the fact that the pension costs at issue were incurred prior to the 2005 Pension Policy and no matter how much lead time was thereafter provided, it was meaningless lead time as the Providers could not alter their operations or adjust financially to the changed policy.

The Providers maintain that, even if the 2005 policy were to apply to the Providers, it would not require a change in how the pension costs at issue were reported. The Providers contend that in promulgating the 2005 Pension Policy, CMS was concerned about unfunded plans that would never be funded.²² CMS’s concern would apply in situations where a provider has either: (1) a plan that is not a “qualified” pension plan; or (2) a defined contribution deferred compensation plan (such as the UC’s Postretirement Welfare Plan). For such plans, providers may claim only payments actually paid to a participating employee as an allowable cost (and only to the extent considered reasonable).²³ CMS’s concern also would apply in situations where a provider has a qualified plan and has an accrued liability that has been actuarially determined as a required contribution into the plan, but the provider does not liquidate this liability within one year, as

¹⁴ See 59 Fed. Reg. at 45357.

¹⁵ See Transcript (“Tr.”) at 78.

¹⁶ See Providers’ Posthearing Position Paper at 25-33.

¹⁷ See PRM 15-2 § 3605.2.

¹⁸ PRM 15-2, Ch. 36, Transmittal No. 9 (Aug. 2002) (copy at Provider Exhibit P-36).

¹⁹ PRM 15-2, Ch. 36, Transmittal No. 10 (June 2003) (copy at Provider Exhibit P-35).

²⁰ Codified at 5 U.S.C. Part I, Ch. 5.

²¹ See Providers’ Posthearing Position Paper at 30 (citing to 5 U.S.C. § 553, *Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204 (1988)).

²² 70 Fed. Reg. at 47369.

²³ See CMS Pub. 15-1 § 2140.2.

required by the Medicare liquidation of liability rules. These scenarios and CMS concerns do not apply to the UC or CHW Pension Plans, because those plans were funded or pre-funded.²⁴

The Providers further maintain that the 2005 Pension Policy does not fulfill the statutory mandate of measuring relative labor costs. The whole purpose behind the 1994 GAAP Policy was to “promote more equitable and consistent reporting of wage-related costs for all hospitals.”²⁵ However, under the 2005 Pension Policy, the amount of pension and PRB costs included in the wage index will no longer be “static from year to year” but rather will go back to swinging widely from year to year (and within a given year for similarly situated providers), depending upon yearly funding determinations.²⁶ The Providers cite to the expressed statutory purpose of the wage index, case law, and expert testimony to argue that the unexplained switch away from GAAP is an arbitrary and capricious policy and is contrary to the statutory mandate that the wage index reflect relative labor costs across geographic areas.

Finally, the Providers focus on the implementation of the 2005 Pension Policy and contend that it was not uniformly or consistently applied and that the highly selective enforcement against the CHW and UC Providers was therefore arbitrary and capricious agency action.²⁷ First, the OIG selected “market movers,” which the Providers’ witness defined as hospitals that represented the largest percentages of salaries in their respective areas, so that adjustments to those hospitals had a more significant impact on their respective areas than would adjustments made to smaller, randomly chosen hospitals.²⁸ Further, it was improper for the Intermediary to rely on the OIG findings. Rather, the Intermediary should have conducted independent audits of the UC Provider data because the OIG is not the appropriate body to audit a Medicare provider’s costs for purposes of making Medicare reimbursement determinations.

Second, CMS did not issue nation-wide instructions implementing the 2005 Pension Policy until it issued a Joint Signature Memorandum (“JSM”) on January 25, 2007 providing guidelines for hospital pension costs for the FFY 2008 wage index.²⁹ As a result, intermediaries had no uniform instructions from CMS when they conducted the wage index desk reviews for FFY 2007. Furthermore, even after the JSM was issued, it is not clear that the intermediaries understood or applied the JSM instructions correctly when developing the FY 2008 wage index, particularly as it relates to selecting a random sample of 20% of the providers.³⁰

Third, the Providers argue that intermediaries did not uniformly and consistently apply the 2005 Pension Policy after it was published in the August 2005 Final Rule, or even after the JSM was issued.³¹ The Providers contend that this non-uniform and inconsistent application caused the wage indexes for FFYs 2007 and 2008 to be “skewed,” meaning that parts of the country were disproportionately impacted by the selective application of the 2005 Pension Policy, and that this

²⁴ Tr. at 69-72.

²⁵ See 59 Fed. Reg. at 45356.

²⁶ See Provider Exhibit P-41; Tr. at 81-96.

²⁷ See Providers’ Posthearing Position Paper at 44-56.

²⁸ See Provider Exhibits P-42 at 1091 and P-43; Tr. at 235-236.

²⁹ See Provider Exhibit P-39 (copy of JSM); Tr. at 244-245.

³⁰ See, e.g., Provider Exhibit P-40; Tr. at 247-248 (Intermediary actuary witness discussing Provider Exhibit P-40).

³¹ See Tr. at 259.

skewing resulted in a wage index for those FFYs that did not accurately measure relative labor costs across the country.³²

COMPUTING THE AAL FOR THE CHW PROVIDERS' PENSION COSTS FOR FFY 2008:

In connection with the CHW Provider's pension costs for purposes of the wage index for FFY 2008, the Providers contend that, as a religious entity, CHW is not required to follow ERISA and, even if CHW had been subject to ERISA, the 5-year amortization period that the CHW Providers used to compute the AAL for pension costs would be acceptable under an ERISA exception.³³

Specifically, the Providers states that the Intermediaries' adjustments made to the CHW Providers' wage index for FFY 2008, which resulted from the extension of the AAL amortization period from 5 years to 10 years, were improper. As a "church plan," CHW's retirement plan does not need to follow – and did not follow – ERISA standards. However, the Intermediary applied a 10-year amortization period. The Providers contend that CHW's selection of an 8.5% rate was appropriate and within CHW's rights as a church-plan sponsor, and notes that the Intermediaries' actuary witness conceded that CHW had the discretion and flexibility to go from an 8.5% rate to a 7% rate. Accordingly, even if the Intermediaries are permitted to extend the amortization period to 10 years, CHW could still have arrived at the same actuarially determined contribution amount by simply changing the interest rate.

In addition, PRM 15-1 § 2142.5 allows an amortization period for computing AAL that is shorter than 10 years if prescribed by ERISA for particular liability adjustments. Any unfunded liability components relating to gains and losses of the assets and liabilities should have been amortized over 5 years rather than 10 years.³⁴ The Providers submitted an additional exhibit showing AAL calculations based on an amortization period of 5 years. The Providers maintain that it was arbitrary and capricious for the Intermediary to recalculate CHW's pension cost by changing only one part of CHW's pension cost computation, and that, if CHW was forced to use ERISA computations, it should have received the benefit of the ERISA-mandated 5-year amortization period.

INTERMEDIARIES' CONTENTIONS:

APPLYING THE 2005 PENSION POLICY TO THE PROVIDERS FOR FFYs 2007 AND 2008:

The Intermediaries believe the 2005 Pension Policy, which is being challenged by the Providers, is a defensible authority promulgated through notice and comment and applied prospectively to the wage indices for FFYs 2007 and 2008. The wage index first affected by the 2005 Pension Policy was the wage index for FFY 2007 which began October 1, 2006 which is 13 ½ months

³² See Tr. at 244-249.

³³ See Providers' Posthearing Position Paper at 57-63.

³⁴ See Tr. at 157-165 (CMS actuary witness indicating that gains and losses component of unfunded AAL should be amortized over 5 years rather than 10 years).

after the date when the 2005 Pension Policy was published in the August 2005 Final Rule. The Intermediaries assert that this is how policies are made and implemented in the PPS world.³⁵

The Intermediaries believe their application of limitations on the Providers is consistent with the 2005 Pension Policy as stated in August 2005 Final Rule.³⁶ The Intermediaries further believe that the 2005 Pension Policy is not a prohibited retroactive policy change. To support their belief, the Intermediaries point to the following excerpt from a CMS letter³⁷ to the Providers' counsel:

First, we disagree that these rules are being applied retroactively. Since August 2002, prior to the start of hospitals' FY 2003 cost reporting periods, the Medicare cost reporting instructions in section 3605.2 of the Provider Reimbursement Manual, (PRM) Part II, required that hospitals, while using GAAP to develop wage-related costs, must report their wage-related costs at cost. In June 2003, we updated the cost report instructions to clarify that although wage related costs are developed according to GAAP, they must also meet the reasonable cost provisions of Medicare. In the FY 2006 IPPS final rule (70 FR 47369), we reiterated the necessity to use Medicare cost reporting principles with GAAP for wage-related costs, specifically for pension and postretirement benefit plans. Thus, we have clearly stated our policy on GAAP and Medicare reasonable cost principles with respect to reporting wage-related costs as early as 2002, and prior to completion of the University of California's FY 2003 cost reports used in developing the FY 2007 wage index. In addition, we are not adjusting payments that hospitals received prior to FY 2007. These payments are left undisturbed. Rather, we are ensuring that the rules for wage-related costs are properly applied for the FY 2007 wage index, which is based on FY 2003 cost report data, and for future years. Therefore, we have not retroactively applied our policy requiring the use of Medicare cost reporting principles for the reporting of pension and post retirement benefits.

The Intermediaries do not believe the testimony of the Providers' first witness that the relevant GAAP principles produced a better result has any bearing on this case.³⁸ Medicare Program policies are not held to the standard of perfection or the abstract best choice. The Medicare Program is given deference when there is no specific legislative direction. As a result, this matter is subject to interpretation. The Intermediaries also believe that the testimony of the Providers' second witness concerning the inconsistency in implementing the 2005 Pension

³⁵ Tr. at 29.

³⁶ The Intermediaries noted the proposed rule (*i.e.*, 70 Fed. Reg. 23371 (May 4, 2005)) and the final rule (*i.e.*, the August 2005 Final Rule) were essentially the same due to the lack of adverse comments received. *See* Intermediaries' Posthearing Summary at 3-4.

³⁷ *See* Intermediaries' Final Position Paper at 6-7 (quoting CMS letter at Provider Exhibit P-33).

³⁸ *See* Intermediaries' Posthearing Summary at 5-6.

Policy should be ignored as being highly subjective and impossible to completely remedy. The key is notice and prospectivity. Both the proposed and final rules for the wage index for FFY 2007 are clear on their face. As the rules would not go into effect until October 1, 2006, the prospectivity need is met.

Finally, the Intermediaries argue that the pre- and post-rule change periods for the four large metropolitan areas where the UC Providers were located did not show a significant drop in wage index values.³⁹ This fact minimizes the impact of the “equity” argument of the Providers.

The Intermediaries set forth an alternative argument should the Providers prevail on the continuation of the use of GAAP without regard to any funding issue. The Intermediaries note that the UC Providers strongly argue for the continuation of the use of GAAP without regard to any funding issue. However, the Intermediaries argue the “generally accepted” principle applied to a legal entity like UC is Statement No. 27 of the Governmental Accounting Standards Board (“GASB 27”). GASB 27 would produce a zero in wage index includable pension and post retirement costs.⁴⁰

The Intermediaries acquiesce that, prior to the problems in these groups appeal, the UC Providers were able to successfully lobby their intermediary to allow them to claim the costs for wage index under a fiction that it should report its costs under the provisions of the Statement of Financial Accounting Standards Nos. 87 and 106 issued by the Financial Accounting Standards Board (“FAS 87” and “FAS 106” respectively). The fiction was that instead of being a State government employer, it was a private business employer. The UC Providers note that their intermediary sent UC a letter to document the acquiescence and that a CMS employee received a copy of this letter from the intermediary.⁴¹ The Intermediaries assert that, as a preliminary matter, neither the intermediary’s acquiescence nor the inclusion of a CMS employee on the correspondence creates an estoppel or evidences an express buy-in on the proposition that, for wage index purposes, one ignores the legal status of a state government employer and make believes it is something else. The Intermediaries argue that, assuming arguendo GAAP applies, the specific principle applicable to the UC Providers’ employer is what governs and the UC Providers’ position does not improve.

The Intermediaries proffer a virtually identical argument that was recently considered and accepted by the Board in 2006 in *DCH Regional Medical Center v. Blue Cross Blue Shield Association*.⁴² Specifically, the Board’s decision and order stated:

The Provider’s request to use FAS 87 in lieu of GAS 27 in developing its pension costs for wage index purposes is inappropriate. The Fiscal Intermediary/Centers for Medicare and Medicaid Services’ denial of the request to include additional pension costs (imputed under FAS 87) as wage-related costs for

³⁹ See Intermediary Exhibit I-6.

⁴⁰ See Intermediaries’ Final Position Paper at 7-8.

⁴¹ Provider Exhibit P-23.

⁴² PRRB Dec. No. 2006-D44 (August 29, 2006), *review declined* CMS Administrator (Oct. 18, 2006).

purposes of DCH Regional Medical Center's FY 2004 wage index was proper.⁴³

The Intermediaries rely on the Board's analysis in this decision. Therefore, even if the Providers successfully argue that GAAP controls, no financial benefit accrues to the UC Providers. The UC Providers are attaching themselves to the wrong accounting principles.

COMPUTING THE AAL FOR THE CHW PROVIDERS' PENSION COSTS FOR FFY 2008:

The Intermediary argues that pension costs are determined based upon the PRM 15-1 §§ 2142.4 and 2142.5 which requires providers to follow certain ERISA requirements and standards regardless of whether providers are subject to ERISA.⁴⁴ By applying ERISA standards to providers regardless of whether they are subject to ERISA, all defined benefit plans are analyzed consistently across all providers in the wage index process. Therefore the Providers' assertion that the CHW Providers are being classified as a "church plan" that does not follow ERISA standards, particularly in the selection of the discount rates and amortization periods used, is incorrect.

The Intermediaries refer to the following 2005 wage survey information for FFY 2008 that was taken from the table located at Provider Exhibit P-44⁴⁵ for the "big picture" details:

**FFY 2008
2005 Wage Survey**

| | |
|---|-------------|
| Cash contribution | 100,080,000 |
| Amount allowed based on an 8.5% discount rate and 10 year amortization period | 69,809,000 |
| Difference | 31,907,000 |

The Intermediaries' actuary witness testified in support of the adjustment that the 8.5% discount rate was the applicable rate to compute the AAL for pension costs.⁴⁶ Therefore, considering the specific factors used in the PRM 15-1 § 2142, the adjustment was correct. The Intermediaries' actuary witness responded on cross-examination that, under the Providers' theory that a 5-year amortization should be used for computing AAL for pension costs, its contribution would have been approximately \$87 million. The Intermediaries argue that amount is still approximately \$13 million short of the cash contribution made and that this finding went unchallenged.⁴⁷

⁴³ *Id.* at 7.

⁴⁴ *See also*, Tr. at 158-160 (Intermediaries' actuary witness explaining that the ERISA definitions are considered whether or not the specific plan is covered by ERISA).

⁴⁵ *See* Intermediaries Posthearing Summary at 7.

⁴⁶ Tr. at 158-159.

⁴⁷ Tr. at 173-174. Intermediaries' Posthearing Summary at 7.

FINDINGS OF FACT, CONCLUSIONS OF LAW AND DISCUSSION:

After considering the Medicare law and program instructions, the parties' contentions, and the evidence presented, the Board finds and concludes that the Intermediaries' adjustments are proper except for the adjustment to amortize the gains and losses of the CHW Providers' FFY 2008 pension costs over 10 years versus 5 years.

In the preamble to the September 1994 Final Rule, CMS initially explained its policy on the reporting of wage index costs such as pension costs (*i.e.*, the 1994 GAAP Policy). Specifically, CMS instructed that "beginning on or after October 1, 1994, hospitals are required to follow Generally Accepted Accounting Principles (GAAP) in developing the wage-related costs."⁴⁸ Significantly, the preamble to the September 1994 Final Rule explicitly stated that the reporting of wage-related costs for purposes of the wage index using GAAP "is *distinct* from that of cost reimbursement, in which applicable Medicare principles (which may differ from GAAP) measure the actual costs incurred by individual hospitals."⁴⁹ Thus, one tenet of the 1994 GAAP Policy is that the treatment of pension costs using GAAP for purposes of the wage index is "distinct" from the treatment of pension costs using Medicare principles for purposes of reasonable cost reimbursement.

Shortly after that, CMS published the June 1995 Final Rule that promulgated a regulation at 42 C.F.R. § 413.100 to clarify the rules for Medicare payment for certain accrued costs.⁵⁰ The preamble to the June 1995 Final Rule described the promulgation of § 413.100 as follows:

Our intention in specifying these conditions was not to change policy. Rather, it was to incorporate into the regulations our longstanding policy on the timely liquidation of liabilities, as contained in sections 704.3, 704.5, 906.4, 2140, 2144.8, 2144.9, 2146, 2162.9 and 2305 of the Provider Reimbursement Manual. Under this longstanding policy, accrued costs are included in Medicare allowable costs in the year of accrual, provided the related liabilities are liquidated timely, in accordance with the liquidation requirements for the particular type of accrued cost.⁵¹

The preamble for June 1995 Final Rule also explains what factors prompted CMS to promulgate § 413.100:

In summary, despite the clear statements of Medicare payment principles found in Medicare manuals (for example, section 2305 of the Provider Reimbursement Manual), the lack of clarification to the regulations continues to impair HCFA's ability to defend against challenges to the regulations for accrued costs of sick pay, vacation pay, FICA and other payroll taxes, owners'

⁴⁸ 59 Fed. Reg. at 45357.

⁴⁹ 59 Fed. Reg. at 45357 (emphasis added).

⁵⁰ 60 Fed. Reg. 33126, (June 27, 1995).

⁵¹ 60 Fed. Reg. at 33127.

compensation, deferred compensation, *pension plans*, nonpaid workers' services, and unpaid mortgage interest, *as well as other accrued costs*. The end result, to the extent that HCFA cannot defend challenges to the policy, is that the Medicare program makes payments for costs not incurred by providers, in violation of section 1681(v)(1)(A) of the Act. . . .⁵²

Significantly, the preamble to the June 1995 Final Rule contains no discussion of or reference to either the reporting of wage index costs generally or the 1994 GAAP Policy to suggest that the treatment of wage-related costs (including pension costs) for purposes of the wage index is no longer distinct and separate from the treatment of wage-related costs for purposes of reasonable cost reimbursement. In this regard, the Board notes that § 413.100 is located in 42 C.F.R. Part 413 governing reasonable cost reimbursement while the regulations governing PPS, including the wage index component of PPS, are located in 42 C.F.R. Part 412. As a result, the Board concludes that, when § 413.100 was promulgated in the June 1995 Final Rule, CMS did *not* intend for it to encompass the reporting of wage-related costs for purposes of the wage index.

In addition, the Board finds that CMS later amended the 1994 GAAP Policy when it published the 2005 Pension Policy as part of the August 2005 Final Rule which states in pertinent part:

Since publication of the September 1, 1994 rule, we have periodically received inquiries for more specific guidance on developing wage-related costs for the wage index. In response, we have provided clarifications in the IPPS rules (for example, health insurance costs (66 FR 39859)) and in the cost report instructions (Provider Reimbursement Manual (PRM), Part II, Section 3605.2). Due to recent questions and concerns we received regarding inconsistent reporting and overreporting of pension and other deferred compensation plan costs, as a result of an ongoing Office of Inspector General review, we are clarifying in this final rule that hospitals *must comply* with the requirements in 42 CFR 413.100, the PRM, Part I, sections 2140, 2141, and 2142, and related Medicare program instructions for developing pension and other deferred compensation plan costs as wage-related costs for the wage index. The Medicare instructions for pension costs and other deferred compensation costs combine GAAPs, Medicare payment principles, and Department of Labor and Internal Revenue Service requirements. We believe that the Medicare instructions allow for both consistent reporting among hospitals and for the development of reasonable deferred compensation plan costs for purposes of the wage index.

With the FY 2007 wage index, hospital and fiscal intermediaries *must ensure* that pension, post-retirement health benefits and other

⁵² *Id.* at 33126 (emphasis added).

deferred compensation plan costs for the wage index are developed according to the above terms.⁵³

The Board finds that the 2005 Pension Policy was made through notice and comment,⁵⁴ and that its use of the words “must comply” and “must ensure” coupled with the stated effective date of FFY 2007 demonstrate CMS’ intent to bind the regulated parties (*e.g.*, the Providers). Further, the Board finds that the following phrase had the effect of changing the regulatory interpretation and application of the regulation found at 42 C.F.R. § 413.100 as it was initially explained in the August 1995 Final Rule: “[H]ospitals *must comply* with the requirements in 42 CFR 413.100, the PRM, Part I, sections 2140, 2141, and 2142, and related Medicare program instructions for developing pension and other deferred compensation plan costs as wage-related costs for the wage index.”

Pursuant to 42 C.F.R. § 405.1867, the Board in exercising its authority to conduct hearings is bound to apply the statutory and regulatory provisions governing the Medicare Program. As a result, the Board finds that it is bound to apply 42 C.F.R. § 413.100 as amended by the August 2005 Final Rule, including the effective date for that regulatory change which was for wage index calculations beginning with FFY 2007,⁵⁵ and that the Board does not have the authority to make any findings on the Providers’ argument that this amendment is a prohibited retroactive rulemaking.⁵⁶

Further, the Board finds that PRM 15-1 §§ 2140-2142 is consistent with the regulations and were ratified through notice and comment as pertaining to the interpretation of 42 C.F.R. § 413.100. The Board notes that the preamble to the September 1994 Final Rule that promulgated 42 C.F.R. § 413.100 specifically listed multiple manual provisions, including PRM 15-1 § 2140, as being covered by that regulation.⁵⁷ Thus, when the August 2005 Final Rule amended 42 C.F.R. § 413.100 to extend its application to the reporting of wage index costs for purposes of the wage index, the manual provisions interpreting and applying that regulation necessarily are covered by that extension.

Finally, the Board finds that the Providers do not contend that the Intermediaries’ adjustments are inconsistent with the PRM 15-1 §§ 2140-2142 except for the adjustment made to the CHW Providers for FFY 2008. The CHW Providers argue that it was improper to adjust the AAL amortization period for the CHW Providers’ FFY 2008 pension costs from 5 years to 10 years. In the alternative, the CHW Providers argue that, if the Intermediaries’ adjustment of this amortization period is upheld, then they should be allowed to adjust their AAL interest rate from

⁵³ 70 Fed. Reg. at 47369 (emphasis added).

⁵⁴ See proposed rule at 70 Fed. Reg. 23306, 23371 (May 4, 2005) and final rule at 70 Fed. Reg. 47278, 47369 (August 12, 2005).

⁵⁵ As the Board has found that 42 C.F.R. § 413.100 as amended governs this case and that the Board is bound by that regulation, the Board never reaches the issue of what impact, if any, the following PRM transmittals relating to the cost reporting forms may have had on the 1994 GAAP policy: PRM 15-2, Ch. 36, Transmittal 9 (Aug. 2002) and PRM 15-2, Ch. 36, Transmittal 10 (June 2003).

⁵⁶ Similarly, the Board finds that the Providers’ arguments that the 2005 Federal Register pension cost policy is arbitrary and capricious and/or inconsistently applied are moot because of its previous finding as being bound by § 413.100 as amended.

⁵⁷ 60 Fed. Reg. at 33133.

8.5% to 7.0%. The Board finds that the Providers have no basis to adjust the AAL interest rate from 8.5% to 7% because the Providers are bound by the 8.5% rate that the Providers elected at the time the pension costs were determined and subsequently reported as part of the as-file cost report. The Board finds that, for FFY 2008, the CHW Providers should be allowed to amortize their gains and losses for pension costs over a 5-year period under the ERISA exception. The relevant policy found at PRM 15-1 §2142.5 stated, in pertinent part, during the time at issue: “[a]ctuarial accrued liabilities . . . must be amortized ratably over a minimum of 10 years, or such shorter period prescribed by ERISA for particular actuarial adjustments.”⁵⁸ The Board finds that the Intermediaries’ actuary witness conceded that gains and losses should be amortized over 5 years if they are broken out.⁵⁹ The Board notes that the Providers’ actuary witness supplied an August 1, 2011 letter breaking out the gains and losses included in “total unfunded liabilities” and amortizing them over various periods.⁶⁰ This letter shows gains and losses to be \$106,620,000 and the adjusted pension contribution requirement based upon the gains and losses being amortized over 5 years with other actuarially accrued liabilities being amortized over 10 years at an 8.5% interest rate to be \$82,100,000. The Board finds that the CHW Providers’ contribution adjustments for FFY 2008 should be modified to this amount subject to the Intermediaries’ review of the calculations in the Providers’ actuary’s letter found at Provider Exhibit P-45.

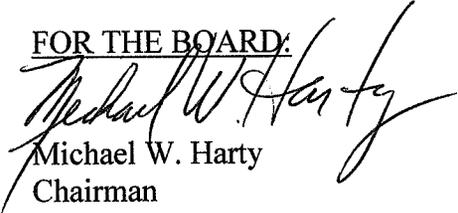
DECISION AND ORDER:

The Intermediaries’ adjustments are affirmed for all Providers’ for FFYs 2007 and 2008 except for the CHW Providers for FFY 2008. For FFY 2008, the CHW Providers’ pension costs are modified to amortize gains and losses over 5 years subject to the Intermediaries’ review, and the Intermediaries’ adjustments relating to such costs are modified accordingly.

BOARD MEMBERS PARTICIPATING:

Michael W. Harty
Keith E. Braganza, C.P.A.
John Gary Bowers, C.P.A.
Clayton J. Nix, Esquire

FOR THE BOARD:


Michael W. Harty
Chairman

DATE: **MAR 12 2013**

⁵⁸ Note that PRM 15-1, Transmittal 436 (March 2008) revised PRM 15-1 § 2142.5.

⁵⁹ Tr. at 164-165.

⁶⁰ See Provider Exhibit P-45.

APPENDIX I

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: SUTTER 2007 PENSION COST WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0679G

| No. | Provider Number | Provider Name City County, State* | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|--|----------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0014 | Sutter Amador Hospital Jackson Amador County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$421,629 | N/A | 01/30/07 | 40900 |
| 2. | 05-0498 | Sutter Auburn Faith Hospital Auburn Placer County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$742,351 | N/A | 01/30/07 | 40900 |
| 3. | 05-0047 | California Pacific Medical Center - Pacific Campus San Francisco San Francisco County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$1,745,119 | N/A | 01/30/07 | 41740 |
| 4. | 05-0008 | California Pacific Medical Center - Davies San Francisco San Francisco County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$219,014 | N/A | 01/30/07 | 41740 |
| 5. | 05-0537 | Sutter Davis Hospital Davis Yolo County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$316,285 | N/A | 01/30/07 | 40900 |
| 6. | 05-0360 | Marin General Hospital Greenbrae Marin County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$950,218 | N/A | 01/30/07 | 41740 |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: SUTTER 2007 PENSION COST WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0679G

| No. | Provider Number | Provider Name City County, State* | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Addl/ Transfer | CBSA |
|---------------|-----------------|--|----------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|--------------------------------------|-------|
| 7. | 05-0007 | Mills - Peninsula Hospital Burlingame San Mateo County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$1,057,598 | N/A | 01/30/07 | 41740 |
| 8. | 05-0131 | Novato Community Hospital Novato Marin County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$197,300 | N/A | 01/30/07 | 41740 |
| 9. | 05-0309 | Sutter Roseville Medical Center Roseville Placer County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$1,602,290 | N/A | 01/30/07 | 40900 |
| 10. | 05-0108 | Sutter Medical Center - Sacramento Sacramento Sacramento County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$4,824,686 | N/A | 01/30/07 | 40900 |
| 11. | 05-0291 | Sutter Medical Center - Santa Rosa Santa Rosa Sonoma County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$534,148 | N/A | 01/30/07 | 41740 |
| 12. | 05-0055 | St. Luke's Hospital San Francisco San Francisco County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/22/07 | 103 | N/A | \$431,630 | N/A | 01/30/07 | 41740 |
| TOTAL: | | | | | | | | | \$13,042,268 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: SUTTER 2007 PENSION COST WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0679G

| No. | Provider Number | Provider Name City County, State* | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|---|-----|--------------|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|------|
|-----|-----------------|---|-----|--------------|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|------|

*The following 6 hospitals were removed from the group appeal by letter to the PRRB dated September 25, 2009: (1) Alta Bates Medical Center, Provider No.: 05-0305; (2) Sutter Delta Medical Center, Provider No.: 05-0523; (3) Eden Medical Center, Provider No.: 05-0488; (4) San Leandro Hospital, Provider No.: 05-0284; (5) Sutter Solano Medical Center, Provider No.: 05-0101; (6) Summit Medical Center, Provider No.: 05-0043.

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: CHW 2007 POST-RETIREMENT & PENSION COSTS
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0706G

| No. | Provider Number | Provider Name* City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|---|---------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|----------------|
| 1. | 03-0024 | St. Joseph's Hospital and Medical Center Phoenix Maricopa County, AZ | 6/30/07; 6/30/08 | Noridian | 10/11/06 | 1/24/07 4/9/07 | 105 180 | N/A | \$46,006 | 07-0706G | 2/6/07 | 38060 |
| 2. | 03-0036 | Chandler Regional Hospital Chandler Maricopa County, AZ | 6/30/07; 6/30/08 | Noridian | 10/11/06 | 1/24/07 4/9/07 | 105 180 | N/A | \$13,521 | 07-0706G | 2/6/07 | 38060 |
| 3. | 05-0017 | Mercy General Hospital Sacramento Sacramento County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$2,736,812 | 07-0706G | 2/6/07 | 40900 |
| 4. | 05-0042 | St. Elizabeth Community Hospital Red Bluff Tehama County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$25,902 | 07-0706G | 2/6/07 | 39820 |
| 5. | 05-0058 | Glendale Memorial Glendale Los Angeles County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/24/07 4/9/07 | 105 180 | N/A | \$739,653 | 07-0706G | 2/6/07 | 31084 |
| 6. | 05-0082 | St. John's Regional Med Center Oxnard Ventura County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$83,879 | 07-0706G | 2/6/07 | Rural Floor |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: CHW 2007 POST-RETIREMENT & PENSION COSTS
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0706G

| No. | Provider Number | Provider Name* City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|---|---------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|----------------|
| 7. | 05-0089 | Community Hospital of San Bernardino San Bernardino San Bernardino County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$197,837 | 07-0706G | 2/6/07 | 31084 |
| 8. | 05-0107 | Marian Medical Center Santa Maria Santa Barbara County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$73,863 | 07-0706G | 2/6/07 | Rural Floor |
| 9. | 05-0116 | Northridge Hospital Med Center - Roscoe Northridge Los Angeles County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$473,954 | 07-0706G | 2/6/07 | 31084 |
| 10. | 05-0127 | Woodland Memorial Hospital Woodland Yolo County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$504,012 | 07-0706G | 2/6/07 | 40900 |
| 11. | 05-0129 | St. Bernardine Medical Center San Bernardino San Bernardino County, CA | 6/30/07; 6/30/08 | Wisconsin Physicians Service | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$389,593 | 07-0706G | 2/6/07 | 31084 |
| 12. | 05-0132 | San Gabriel Valley Medical Center San Gabriel Los Angeles, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/24/07 4/9/07 | 105 180 | N/A | \$384,351 | 07-0706G | 2/6/07 | 31084 |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: CHW 2007 POST-RETIREMENT & PENSION COSTS
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0706G

| No. | Provider Number | Provider Name* City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|---|---------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 13. | 05-0149 | California Hospital Medical Center Los Angeles Los Angeles, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/24/07 4/9/07 | 105 180 | N/A | \$280,127 | 07-0706G | 2/6/07 | 31084 |
| 14. | 05-0150 | Sierra Nevada Memorial Hospital Grass Valley Nevada County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$1,207,573 | 07-0706G | 2/6/07 | 40900 |
| 15. | 05-0152 | Saint Francis Memorial Hospital San Francisco San Francisco County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/23/07 4/9/07 | 104 180 | N/A | \$563,541 | 07-0706G | 2/6/07 | 41884 |
| 16. | 05-0191 | St. Mary's Medical Center - Long Beach Long Beach Los Angeles County, CA | 6/30/07; 6/30/08 | Wisconsin Physicians Service | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$445,183 | 07-0706G | 2/6/07 | 31084 |
| 17. | 05-0242 | Dominican Santa Cruz Hospital Santa Cruz Santa Cruz County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$25,354 | 07-0706G | 2/6/07 | 42100 |
| 18. | 05-0280 | Mercy Redding Medical Center Redding Shasta County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$155,252 | 07-0706G | 2/6/07 | 39820 |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: CHW 2007 POST-RETIREMENT & PENSION COSTS
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0706G

| No. | Provider Number | Provider Name* City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|---|---------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|----------------|
| 19. | 05-0295 | Mercy Hospital Bakersfield Bakersfield Kern County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$56,143 | 07-0706G | 2/6/07 | Rural Floor |
| 20. | 05-0299 | Northridge Hospital Medical Center - SWC Northridge Los Angeles County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$219,746 | 07-0706G | 2/6/07 | 31084 |
| 21. | 05-0366 | Mark Twain/St. Joseph Hospital San Andreas Calaveras County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$14,555 | 07-0706G | 2/6/07 | Rural Floor |
| 22. | 05-0414 | Mercy Hospital - Folsom Folsom Sacramento County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$386,172 | 07-0706G | 2/6/07 | 40900 |
| 23. | 05-0457 | St. Mary's Medical Center San Francisco San Francisco County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/23/07 4/9/07 | 104 180 | N/A | \$888,568 | 07-0706G | 2/6/07 | 41884 |
| 24. | 05-0516 | Mercy San Juan Medical Center Carmichael Sacramento County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$2,407,183 | 07-0706G | 2/6/07 | 40900 |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: CHW 2007 POST-RETIREMENT & PENSION COSTS
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0706G

| No. | Provider Number | Provider Name* City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|---------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|----------------|
| 25. | 05-0590 | Methodist Hospital of Sacramento Sacramento Sacramento County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$907,623 | 07-0706G | 2/6/07 | 40900 |
| 26. | 05-0616 | St. John's Pleasant Valley Hospital Camarillo Ventura County, CA | 6/30/07; 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 1/22/07 4/9/07 | 103 180 | N/A | \$25,377 | 07-0706G | 2/6/07 | Rural Floor |
| TOTAL: | | | | | | | | | \$13,251,780 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: UC MEDICAL CENTERS 07 GAAP/WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-0842G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|--------------------|---|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0599 | UC Davis Medical Center Sacramento Sacramento County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/23/07 | 104 | N/A | \$3,721,266 | 07-0841 | 02/26/07 | 40900 |
| 2. | 05-0025 | UCSD Medical Center San Diego San Diego County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 01/23/07 | 104 | N/A | \$982,332 | 07-0708 | 02/26/07 | 41740 |
| 3. | 05-0262 | UCLA Medical Center Los Angeles Los Angeles County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 03/03/07 | 143 | N/A | \$1,628,237 | N/A | 05/02/07 | 31084 |
| 4. | 05-0454 | UCSF Medical Center San Francisco San Francisco County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 03/27/07 | 167 | N/A | 2,894,222 | N/A | 05/02/07 | 41884 |
| TOTAL: | | | | | | | | | \$9,226,057 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: KAISER FOUNDATION HOSPITALS FFY 2006 & 2007 WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1763G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request* | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|--|----------------------|------------------------------------|--|-------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0070 | Kaiser Foundation Hospital - South San Francisco South San Francisco San Mateo County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$75,555 | N/A | 04/13/07 | 41884 |
| 2. | 05-0076 | Kaiser Foundation Hospital - San Francisco San Francisco San Francisco County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$210,688 | N/A | 04/13/07 | 41884 |
| 3. | 05-0425 | Kaiser Foundation Hospital - Sacramento Sacramento Sacramento County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$691,654 | N/A | 04/13/07 | 40900 |
| 4. | 05-0510 | Kaiser Foundation Hospital - San Rafael San Rafael Marin County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$66,754 | N/A | 04/13/07 | 41884 |
| 5. | 05-0541 | Kaiser Foundation Hospital - Redwood City Redwood City San Mateo County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$77,706 | N/A | 04/13/07 | 41884 |
| 6. | 05-0674 | Kaiser Foundation Hospital - South Sacramento South Sacramento Sacramento County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$239,629 | N/A | 04/13/07 | 40900 |

*All of the individual appeal letters were submitted on 04/09/07 with the cover page behind Tab B.

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: KAISER FOUNDATION HOSPITALS FFY 2006 & 2007 WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1763G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request* | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|---|----------------------|------------------------------------|---|-------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 7. | 05-0690 | Kaiser Foundation Hospital - Santa Rosa Santa Clara Santa Clara County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$63,640 | N/A | 04/13/07 | 41884 |
| 8. | 05-0137 | Kaiser Foundation Hospital - Panorama Panorama City Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$38,172 | N/A | 04/13/07 | 31084 |
| 9. | 05-0138 | Kaiser Foundation Hospital - Sunset Los Angeles Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$116,206 | N/A | 04/13/07 | 31084 |
| 10. | 05-0139 | Kaiser Foundation Hospital - Bellflower Bellflower Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$41,920 | N/A | 04/13/07 | 31084 |
| 11. | 05-0140 | Kaiser Foundation Hospital - Fontana Fontana San Bernardino County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$38,136 | N/A | 04/13/07 | 31084 |
| 12. | 05-0411 | Kaiser Foundation Hospital - Harbor Harbor City Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$37,446 | N/A | 04/13/07 | 31084 |

*All of the individual appeal letters were submitted on 04/09/07 with the cover page behind Tab B.

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: KAISER FOUNDATION HOSPITALS FFY 2006 & 2007 WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1763G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request* | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|----------------------|------------------------------------|---|-------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 13. | 05-0515 | Kaiser Foundation Hospital - San Diego San Diego San Diego County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$94,247 | N/A | 04/13/07 | 41740 |
| 14. | 05-0561 | Kaiser Foundation Hospital - West LA Los Angeles Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$61,340 | N/A | 04/13/07 | 31084 |
| 15. | 05-0609 | Kaiser Foundation Hospital - Anaheim Anaheim Orange County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$21,926 | N/A | 04/13/07 | 31084 |
| 16. | 05-0677 | Kaiser Foundation Hospital - Woodland Hills Woodland Hills Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$36,771 | N/A | 04/13/07 | 31084 |
| 17. | 05-0723 | Kaiser Foundation Hospital - Baldwin Park Baldwin Park Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$17,665 | N/A | 04/13/07 | 31084 |
| TOTAL: | | | | | | | | | \$1,929,455 | | | |

*All of the individual appeal letters were submitted on 04/09/07 with the cover page behind Tab B.

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: SHARP HC 2006/2007 SAN DIEGO - CARLSBAD - SAN MARCOS WAGE INDEX
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1852G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|---------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0026 | Sharp Grossmont Hospital La Mesa San Diego County, CA | 9/30/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/09/07 | 180 | N/A | \$894,484 | N/A | N/A | 41740 |
| 2. | 05-0100 | Sharp Memorial Hospital San Diego San Diego County, CA | 9/30/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/09/07 | 180 | N/A | \$846,055 | N/A | N/A | 41740 |
| 3. | 05-0222 | Sharp Chula Vista Medical Center Chula Vista San Diego County, CA | 9/30/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/09/07 | 180 | N/A | \$647,819 | N/A | N/A | 41740 |
| 4. | 05-0234 | Sharp Coronado Hospital and Healthcare Center Coronado San Diego County, CA | 9/30/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/09/07 | 180 | N/A | \$111,419 | N/A | N/A | 41740 |
| 5. | 05-0722 | Sharp Mary Birch Hospital for Women San Diego San Diego County, CA | 9/30/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/09/07 | 180 | N/A | \$6,207 | N/A | N/A | 41740 |
| TOTAL: | | | | | | | | | \$2,505,984 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: ST. JOSEPH HS 2006/2007 SANTA ANA-ANAHEIM-IRVINE WAGE INDEX
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1855G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|---|----------------------|------------------------------------|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0567 | Mission Hospital Regional Medical Center Mission Viejo Orange County, CA | 06/30/07 06/30/08 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$362,453 | N/A | N/A | 31084 |
| 2. | 05-0069 | St. Joseph Hospital Orange Orange County, CA | 06/30/07 06/30/08 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$443,404 | N/A | N/A | 31084 |
| 3. | 05-0168 | St. Jude Medical Center Fullerton Orange County, CA | 06/30/07 06/30/08 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$379,792 | N/A | N/A | 31084 |
| TOTAL: | | | | | | | | | \$1,185,649 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: MEMORIAL HEALTH SERVICES FFY 07 WAGE INDEX (GAAP)
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1895G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|---|----------------------|---|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0226 | Anaheim Memorial Medical Center Anaheim Orange County, CA | 06/30/07 06/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/06/07 | 177 | N/A | \$279,224 | N/A | N/A | 31084 |
| 2. | 05-0485 | Long Beach Memorial Medical Center Long Beach Los Angeles County, CA | 06/30/07 06/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/06/07 | 177 | N/A | \$1,080,555 | N/A | N/A | 31084 |
| 3. | 05-0678 | Orange Coast Memorial Medical Center Fountain Valley Orange County, CA | 06/30/07 06/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/06/07 | 177 | N/A | \$88,357 | N/A | N/A | 31084 |
| 4. | 05-0603 | Saddleback Memorial Medical Center Laguna Hills Orange County, CA | 06/30/07 06/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/06/07 | 177 | N/A | \$300,431 | N/A | N/A | 31084 |
| TOTAL: | | | | | | | | | \$1,748,567 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: DAUGHTERS OF CHARITY HEALTH SYSTEM FFY 07 WAGE INDEX (GAAP)
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1911G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|---|--------------------|---|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0104 | St. Francis Medical Center Lynwood Los Angeles County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/05/07 | 176 | N/A | \$486,893 | N/A | N/A | 31084 |
| 2. | 05-0502 | St. Vincent Medical Center Los Angeles Los Angeles County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/05/07 | 176 | N/A | \$857,901 | N/A | N/A | 31084 |
| TOTAL: | | | | | | | | | \$1,344,794 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: ADVENTIST HEALTH FFY 07 WAGE INDEX (GAAP) GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-1912G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request* | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|---|----------------------|---|--|-------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0239 | Glendale Adventist Medical Center Glendale Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 03/20/07 | 160 | N/A | \$784,641 | N/A | N/A | 31084 |
| 2. | 05-0024 | Paradise Valley Hospital National City San Diego County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 03/20/07 | 160 | N/A | \$660,863 | N/A | N/A | 41740 |
| 3. | 05-0236 | Simi Valley Hospital & Health Care Services Simi Valley Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 03/20/07 | 160 | N/A | \$62,850 | N/A | N/A | 31084 |
| 4. | 05-0193 | South Coast Medical Center Laguna Beach Orange County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 03/20/07 | 160 | N/A | \$75,806 | N/A | N/A | 31084 |
| 5. | 05-0103 | White Memorial Medical Center Los Angeles Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 03/20/07 | 160 | N/A | \$563,465 | N/A | N/A | 31084 |
| TOTAL: | | | | | | | | | \$2,147,625 | | | |

* The 03/20/07 date is pursuant to the UPS invoice attached under Tab B.

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: HLB IND. HOSPS. FFY 2007 WAGE INDEX (PENSION COST) GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-2422G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|---|----------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0350 | Beverly Hospital Montebello Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/05/07 | 176 | N/A | \$375,758 | 07-1802 | 07/20/07 | 31084 |
| 2. | 05-0543 | College Hospital Costa Mesa Costa Mesa Orange County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/09/07* | 180 | N/A | \$75,465 | 07-1913 | 07/20/07 | 31084 |
| 3. | 05-0254 | Marshall Medical Center Visalia Tulare County, CA | 10/31/06 10/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/09/07** | 180 | N/A | \$937,272 | 07-1847 | 07/20/07 | 40900 |
| 4. | 05-0238 | Methodist Hospital Arcadia Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/06/07 | 177 | N/A | \$581,162 | 07-1886 | 07/20/07 | 31084 |
| 5. | 05-0277 | Pacific Hospital of Long Beach Long Beach Los Angeles County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/03/07 | 174 | N/A | \$193,272 | 07-1794 | 07/25/07 | 31084 |
| 6. | 05-0385 | Palm Drive Hospital Sebastopol Sonoma County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/09/07*** | 180 | N/A | \$117,495 | 07-1909 | 07/20/07 | 41884 |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: HLB IND. HOSPS. FFY 2007 WAGE INDEX (PENSION COST) GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-2422G

| | | | | | | | | | | | | |
|---------------|---------|---|----------------------|---|----------|----------|-----|-----|--------------------|---------|----------|-------|
| 7. | 05-0231 | Pomona Valley Hospital Medical Center Pomona Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/04/07 | 175 | N/A | \$500,058 | 07-1699 | 07/20/07 | 31084 |
| 8. | 05-0272 | Redlands Community Hospital Redlands San Bernardino County, CA | 9/30/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/05/07 | 176 | N/A | \$122,798 | 07-1758 | 07/20/07 | 31084 |
| 9. | 05-0099 | San Antonio Community Hospital Upland San Bernardino County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/04/07 | 175 | N/A | \$355,456 | 07-1700 | 07/20/07 | 31084 |
| 10. | 05-0090 | Sonoma Valley Hospital Sonoma Sonoma County, CA | 6/30/07 6/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/03/07 | 174 | N/A | \$154,456 | 07-2126 | 09/21/07 | 41884 |
| 11. | 05-0111 | Temple Community Hospital Los Angeles Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/04/07 | 175 | N/A | \$284,330 | 07-1907 | 07/20/07 | 31084 |
| 12. | 05-0575 | Tri-City Regional Medical Center Hawaiian Gardens Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/04/07 | 175 | N/A | \$157,853 | 07-1906 | 07/20/07 | 31084 |
| TOTAL: | | | | | | | | | \$3,855,375 | | | |

*The 4/9/07 date is based on the Board's acknowledgment, behind Tab B-2.
 **The 4/9/07 date is based on the Board's acknowledgment, behind Tab B-3.
 ***The 4/9/07 date is based on the Board's acknowledgment, behind Tab B-6.

Attachment A:

Schedule of Providers in Group (Schedule A)

PAGE 1 OF 1

GROUP NAME: HCA FFY 2007 WAGE INDEX (PENSION COSTS) GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-2423G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|---|----------------------|---|--|------------------------------------|---------------------|------------------------|-----------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0022 | Riverside Community Hospital Riverside Riverside County, CA | 4/30/07 4/30/08 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/06/07 | 177 | N/A | \$110,423 | 07-1759 | 07/20/07 | 42044 |
| 2. | 05-0481 | West Hills Hospital and Medical Center West Hills Los Angeles County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/06/07 | 177 | N/A | \$312,996 | 07-1757 | 07/20/07 | 31084 |
| TOTAL: | | | | | | | | | \$423,419 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: CHS 2007 WAGE INDEX (PENSION COSTS)
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-2462G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request* | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|--------------------|------------------------------------|--|-------------------------------------|---------------------|------------------------|-----------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0298 | Barstow Community Hospital Barstow San Bernardino County, CA | 1/30/07 1/30/08 | Wisconsin Physicians Service | 10/11/06 | 04/09/07** | 180 | N/A | \$84,899 | 07-1746 | 07/30/07 | 31084 |
| 2. | 05-0435 | Fallbrook District Hospital Fallbrook San Diego County, CA | 1/30/07 1/30/08 | Wisconsin Physicians Service | 10/11/06 | 04/09/07 | 180 | N/A | \$100,338 | 07-1748 | 07/30/07 | 41740 |
| TOTAL: | | | | | | | | | | | \$185,237 | |

*Both letters were mailed on 04/09/07, as shown on the delivery confirmation behind Tab B.

**The heading makes it clear that this letter refers to Barstow; the reference in the text to Fallbrook should be disregarded.

Attachment A:

Schedule of Providers in Group (Schedule A)

PAGE 1 OF 1

GROUP NAME: CITRUS VALLEY FFY 2007 WAGE INDEX (PENSION COSTS)
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-2500G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|----------------------|---|--|------------------------------------|---------------------|------------------------|-----------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0369 | Citrus Valley Medical Center - QV Campus West Covina Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/05/07 | 176 | N/A | \$353,526 | 07-1752 | 08/06/07 | 31084 |
| 2. | 05-0382 | Citrus Valley Medical Center - IC Campus Covina Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/05/07 | 176 | N/A | \$385,418 | 07-1750 | 08/06/07 | 31084 |
| 3. | 05-0597 | Foothill Presbyterian Hospital Glendora Los Angeles County, CA | 12/31/06 12/31/07 | Palmetto GBA/First Coast Service Options | 10/11/06 | 04/05/07 | 176 | N/A | \$134,286 | 07-1749 | 08/06/07 | 31084 |
| TOTAL: | | | | | | | | | \$873,230 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: IHHI 07 WAGE INDEX (PENSION COSTS) CIRP GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 07-2583G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|----------------------------------|---|----------------------|------------------------------------|---|------------------------------------|---------------------|------------------------|-----------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0747 (formerly 05-0535) | Coastal Communities Hospital Santa Ana Orange County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/04/07 | 175 | N/A | \$89,922 | 07-1731 | 07/31/07 | 31084 |
| 2. | 05-0746 (formerly 05-0065) | Western Medical Center - Santa Ana Santa Ana Orange County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/04/07 | 175 | N/A | \$262,149 | 07-1910 | 07/31/07 | 31084 |
| 3. | 05-0744 (formerly 05-0594) | Western Medical Center - Anaheim Anaheim Orange County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/04/07 | 175 | N/A | \$114,944 | 07-1754 | 07/31/07 | 31084 |
| 4. | 05-0745 (formerly 05-0550) | Chapman Medical Center Orange Orange County, CA | 12/31/06 12/31/07 | Wisconsin Physicians Service | 10/11/06 | 04/04/07 | 175 | N/A | \$42,055 | 07-1734 | 07/31/07 | 31084 |
| TOTAL: | | | | | | | | | \$509,070 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

PAGE 1 OF 1

GROUP NAME: UNIVERSITY OF CA 2008 WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 08-0822G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|--------------------|---|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|--------|
| 1. | 05-0454 | UCSF Medical Center San Francisco San Francisco County, CA | 6/30/08 6/30/09 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/06/08 | 168 | N/A | \$4,078,619 | N/A | N/A | 41884 |
| 2. | 05-0599 | UC Davis Medical Center Sacramento Sacramento County, CA | 6/30/08 6/30/09 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/06/09 | 168 | N/A | \$3,306,344 | N/A | N/A | 40,900 |
| TOTAL: | | | | | | | | | \$7,384,963 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: SUTTER HEALTH 2008 WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 08-0823G

| No. | Provider Number | Provider Name City County, State* | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|-----|-----------------|--|----------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0014 | Sutter Amador Hospital Jackson Amador County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$296,879 | N/A | N/A | 40900 |
| 2. | 05-0498 | Sutter Auburn Faith Hospital Auburn Placer County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$501,009 | N/A | N/A | 40900 |
| 3. | 05-0047 | California Pacific Medical Center - Pacific Campus San Francisco San Francisco County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$2,040,019 | N/A | N/A | 41884 |
| 4. | 05-0008 | California Pacific Medical Center - Davies San Francisco San Francisco County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$268,089 | N/A | N/A | 41884 |
| 5. | 05-0537 | Sutter Davis Hospital Davis Yolo County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$275,264 | N/A | N/A | 40900 |
| 6. | 05-0360 | Marin General Hospital Greenbrae Marin County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$1,180,063 | N/A | N/A | 41884 |
| 7. | 05-0007 | Mills - Peninsula Hospital Burlingame San Mateo County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$1,156,947 | N/A | N/A | 41884 |

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: SUTTER HEALTH 2008 WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 08-0823G

| No. | Provider Number | Provider Name City County, State* | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|----------------------|---|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 8. | 05-0131 | Novato Community Hospital Novato Marin County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$250,101 | N/A | N/A | 41884 |
| 9. | 05-0309 | Sutter Roseville Medical Center Roseville Placer County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$1,325,179 | N/A | N/A | 40900 |
| 10. | 05-0108 | Sutter Medical Center - Sacramento Sacramento Sacramento County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$3,357,888 | N/A | N/A | 40900 |
| 11. | 05-0291 | Sutter Medical Center - Santa Rosa Santa Rosa Sonoma County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$925,473 | N/A | N/A | 41884 |
| 12. | 05-0055 | St. Luke's Hospital San Francisco San Francisco County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/05/08 | 167 | N/A | \$488,113 | N/A | N/A | 41884 |
| TOTAL: | | | | | | | | | \$12,065,024 | | | |

*The following 6 hospitals were removed from the group appeal by letter to the PRRB dated September 22, 2009: (1) Alta Bates Medical Center, Provider No.: 05-0305; (2) Sutter Delta Medical Center, Provider No.: 05-0523; (3) Eden Medical Center, Provider No.: 05-0488; (4) San Leandro Hospital, Provider No.: 05-0264; (5) Sutter Solano Medical Center, Provider No.: 05-0101; (6) Summit Medical Center, Provider No.: 05-0043.

Attachment A:

Schedule of Providers in Group (Schedule A)

GROUP NAME: DAUGHTERS OF CHARITY HEALTH SYSTEM FFY 2008 WAGE INDEX
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 08-0836G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|---|--------------------|---|--|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0289 | Seton Medical Center Daily City San Mateo County, CA | 6/30/08 6/30/09 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/04/08 | 166 | N/A | \$1,304,239 | N/A | N/A | 41884 |
| 2. | 05-0104 | St. Francis Medical Center Lynnwood Los Angeles County, CA | 6/30/08 6/30/09 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/04/08 | 166 | N/A | \$58,016 | N/A | N/A | 31084 |
| 3. | 05-0502 | St. Vincent Medical Center Los Angeles Los Angeles County, CA | 6/30/08 6/30/09 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/04/08 | 166 | N/A | \$94,825 | N/A | N/A | 31084 |
| TOTAL: | | | | | | | | | \$1,457,080 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

PAGE 1 OF 1

GROUP NAME: TENET FFY 2008 WAGE INDEX
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 08-0850G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|----------------------|------------------------------------|--|------------------------------------|---------------------|------------------------|-----------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0696 | USC University Hospital Los Angeles Los Angeles County, CA | 5/31/08 5/31/09 | Wisconsin Physicians Service | 8/22/07 | 02/07/08 | 169 | N/A | \$75,134 | N/A | N/A | 31084 |
| 2. | 05-0601 | Encino-Tarzana Regional Medical Center - Tarzana Campus Tarzana Los Angeles County, CA | 12/31/07 12/31/08 | Wisconsin Physicians Service | 8/22/07 | 02/07/08 | 169 | N/A | \$75,947 | N/A | N/A | 31084 |
| 3. | 05-0588 | San Dimas Community Hospital San Dimas Los Angeles County, CA | 12/31/07 12/31/08 | Wisconsin Physicians Service | 8/22/07 | 02/07/08 | 169 | N/A | \$11,866 | N/A | N/A | 31084 |
| 4. | 05-0581 | Lakewood Regional Medical Center Lakewood Los Angeles County, CA | 5/31/08 5/31/09 | Wisconsin Physicians Service | 8/22/07 | 02/07/08 | 169 | N/A | \$33,155 | N/A | N/A | 31084 |
| 5. | 05-0158 | Encino-Tarzana Regional Medical Center Encino Los Angeles County, CA | 12/31/07 12/31/08 | Wisconsin Physicians Service | 8/22/07 | 02/07/08 | 169 | N/A | \$26,792 | N/A | N/A | 31084 |
| TOTAL: | | | | | | | | | \$222,894 | | | |

Attachment A:

Schedule of Providers in Group (Schedule A)

PAGE 1 OF 1

GROUP NAME: KAISER FOUNDATION HEALTH PLAN, INC. 08 WAGE INDEX GROUP
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 08-0912G

| No. | Provider Number | Provider Name City County, State* | FYE | Intermediary | A Date of Final Determination | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|--|----------------------|------------------------------------|--|------------------------------------|---------------------|------------------------|-----------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0070 | Kaiser Foundation Hospital South San Francisco South San Francisco San Mateo County, CA | 12/31/07 12/31/08 | Wisconsin Physicians Service | 8/22/07 | 02/01/08 | 163 | N/A | \$62,607 | N/A | N/A | 41884 |
| 2. | 05-0674 | Kaiser Foundation Hospital South Sacramento South Sacramento Sacramento County, CA | 12/31/07 12/31/08 | Wisconsin Physicians Service | 8/22/07 | 02/01/08 | 163 | N/A | \$32,118 | N/A | N/A | 40900 |
| 3. | 05-0425 | Kaiser Foundation Hospital Sacramento Sacramento Sacramento County, CA | 12/31/07 12/31/08 | Wisconsin Physicians Service | 8/22/07 | 02/01/08 | 163 | N/A | \$242,086 | N/A | N/A | 40900 |
| TOTAL: | | | | | | | | | \$336,811 | | | |

*The following hospitals are no longer part of the appeal: (1) KFH- Redwood City, No. 05-0541, and (2) KFH- San Francisco, No. 05-0076.

Attachment A

Schedule of Providers in Group (Schedule A)

PAGE 1 OF 1

GROUP NAME: HLB IND. HOSPS. FFY 2008 WAGE INDEX (PENSION COST)
 REPRESENTATIVE: HOOPER, LUNDY & BOOKMAN, INC. - Byron J. Gross, Esq.
 CASE NO: 08-1859G

| No. | Provider Number | Provider Name City County, State | FYE | Intermediary | A Date of Final Determi- nation | B Date of Hearing Request | C No. of Days | D Audit Adj. No. | E Amount of Reimb. | F Original Case No. | G Date(s) of Add/ Transfer | CBSA |
|---------------|-----------------|---|----------------------|---|---|------------------------------------|---------------------|------------------------|--------------------------|---------------------------|-------------------------------------|-------|
| 1. | 05-0254 | Marshall Medical Center Visalia Tulare County, CA | 10/31/07 10/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/11/08* | 173 | N/A | \$848,443 | 08-1010 | 05/21/08 | 40900 |
| 2. | 05-0238 | Methodist Hospital Arcadia Los Angeles County, CA | 12/31/07 12/31/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/11/08 | 173 | N/A | \$83,247 | 08-1331 | 05/01/08 | 31084 |
| 3. | 05-0231 | Pomona Valley Hospital Medical Center Pomona Los Angeles County, CA | 9/30/08 | Palmetto GBA/First Coast Service Options | 8/22/07 | 01/31/08 | 162 | N/A | \$70,661 | 08-0830 | 05/08/08 | 31084 |
| 4. | 05-0485 | Long Beach Memorial Medical Center Long Beach Los Angeles County, CA | 6/30/08 6/30/09 | Palmetto GBA/First Coast Service Options | 8/22/07 | 02/02/08 | 164 | N/A | \$137,964 | 08-0821 | 05/01/08 | 31084 |
| TOTAL: | | | | | | | | | \$1,140,315 | | | |

*The 2/11/08 date is based on the Board's acknowledgment, located behind Tab B-1.