

**REPORT ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
CHANGE IN SCOPE-OF-SERVICE REQUEST**

**LA MAESTRA COMMUNITY HEALTH CENTERS—  
CITY HEIGHTS  
SAN DIEGO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1609849074**

**FISCAL PERIOD ENDED  
JUNE 30, 2011**

**Audits Section—San Diego  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Patricia M. Fox  
Audit Supervisor: Woosung Lee  
Auditor: Stacey A. Leon**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

January 15, 2013

Zara Marselian  
President and CEO  
La Maestra Community Health Centers  
4060 Fairmount Ave  
San Diego, CA 92105

PROVIDER LEGAL NAME: LA MAESTRA FAMILY CLINIC, INC.  
DBA: LA MAESTRA COMMUNITY HEALTH CENTERS—CITY HEIGHTS  
NATIONAL PROVIDER IDENTIFIER: 1609849074  
FISCAL PERIOD ENDED JUNE 30, 2011

SUBJECT: CHANGE IN SCOPE-OF-SERVICE REQUEST

We have examined the Clinic's Federally Qualified Health Center (FQHC) Change in Scope-of-Service Request for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code. The review was limited to the Change in Scope-of-Service Request and the supporting documentation.

The prospective payment system (PPS) rate(s) as presented in Schedule 1 represent(s) a proper determination in accordance with the reimbursement principles of the program. The rates and effective dates are as follows:

<u>PPS Rate</u>	<u>Effective Dates</u>
\$197.43	July 1, 2011 through September 30, 2011

In addition, your rate will be increased to \$198.22, effective October 1, 2011, to \$199.41, effective October 1, 2012 to reflect the MEI increases of 0.4% and of 0.6%, respectively.

We have instructed the Provider Enrollment Division to adjust your interim Managed Care rate (Code 18) to \$92.01, your interim Medi-Cal Health Families rate (Code 19) to \$104.93 and your interim Medi-Cal Crossover rate (Code 02) to \$57.23, effective February 1, 2013.

Zara Marselian  
January 14, 2013

This determination includes:

1. Computation of Audited PPS Rate (Schedule 1) and supporting schedules
2. Audit Adjustments

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

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

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

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

**United States Postal Service (USPS)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
PO Box 997413  
Sacramento, CA 95899

**Courier (UPS, FedEx, etc.)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814  
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, section 14171, and Title 22, California Code of Regulations, section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—San Diego at (619) 688-3200.

Originally signed by:

Patricia M. Fox, Chief  
Audits Section—San Diego  
Financial Audits Branch

Certified

## COMPUTATION OF CHANGE IN SCOPE-OF-SERVICE REQUEST

**Provider Legal Name:**  
**LA MAESTRA COMMUNITY HEALTH**  
**CENTERS—CITY HEIGHTS**

**Provider No. (NPI)**  
**1609849074**

**Fiscal Period Ended:**  
**JUNE 30, 2011**

**PART A - DETERMINATION OF OVERHEAD APPLICABLE TO FQHC/RHC SERVICES**

	<b>REPORTED</b>	<b>AUDITED</b>
1. Total FQHC/RHC Health Care Services Cost (Sch 2, Ln 29)	\$ 5,004,611	\$ 4,922,924
2. Nonreimbursable FQHC/RHC Costs Excluding Overhead (Sch 2, Ln 57)	\$ 301,646	\$ 301,646
3. Cost of All Services Excluding Overhead (Ln 1 + Ln 2)	\$ 5,306,257	\$ 5,224,570
4. Percentage of Nonreimbursable FQHC/RHC Costs (Ln 2 / Ln 3)	0.056847	0.057736
5. Total Overhead -(Sch 2, Ln 53)	\$ 4,291,990	\$ 4,291,990
6. Overhead Applicable to Non-Reimbursable FQHC/RHC Costs (Ln 5 x Ln 4)	\$ 243,988	\$ 247,803
7. Overhead Applicable to FQHC/RHC Services (Ln 5 - Ln 6)	\$ 4,048,002	\$ 4,044,187
8. Total Cost of FQHC/RHC Services (Ln 1 + Ln 7)	\$ 9,052,613	\$ 8,967,111

**PART B - DETERMINATION OF FQHC/RHC RATE**

1. Total FQHC/RHC Cost (PART A, Ln 8)	\$ 9,052,613	\$ 8,967,111
2. Total FQHC/RHC Visits (From Provider Records) (Adjs. 2, 3, 4)	42,152	42,971
3. Total FQHC/RHC Nonreimbursable Services Visits (From Provider Records) (Adj. )		-
4. Total FQHC/RHC Adjusted Visits (Ln 2 - Ln 3)	42,152	42,971
5. FQHC/RHC Cost Per Visit (Ln 1 / Ln 4)	\$ 214.76	\$ 208.68

**PART C - DETERMINATION OF PPS RATE ADJUSTMENT**

1. FQHC/RHC Cost Per Visit (PART B, Ln 5)	\$ 214.76	\$ 208.68
2. Current PPS rate per visit	\$ 152.45	\$ 152.45
3. Net Increase or Decrease in FQHC/RHC Rate (Ln 1 - Ln 2) Show decrease in parenthesis	\$ 62.31	\$ 56.23

**If line 3 is greater than zero (Line 1 is greater than Line 2) , proceed to line 4.**

**If line 3 is less than zero ( Line 1 is less than line 2), proceed to line 5.**

4. Threshold Amount: Line 2 x 1.75% ( Complete Part D if an increase on Line 3 is <b>equal</b> to or <b>greater</b> than this amount)	\$ 2.67	\$ 2.67
5. Threshold Amount: Line 2 x 2.50% ( Complete Part D if a decrease on Line 3 is <b>greater</b> than this amount) <b>See note 2</b>	\$ 3.81	\$ 3.81

**PART D - FQHC/RHC RATE CHANGE**

1. FQHC/RHC Rate increase or decrease (PART C, Ln 3) Show decrease in parenthesis	\$ 62.31	\$ 56.23
2. FQHC/RHC Rate increase or decrease adjustment of 20% (Ln 1 x 20%)	\$ 12.46	\$ 11.25
3. FQHC/RHC Rate increase or decrease after adjustment of 20% (Ln 1 - Ln 2)	\$ 49.85	\$ 44.98
4. Current PPS rate per visit (from Line C2)	\$ 152.45	\$ 152.45
5. New PPS Rate (Ln 3 plus Ln 4)	\$ 202.30	\$ 197.43

**Notes:**

**(1)** The current PPS rate per visit means the PPS rate per visit in effect on the last day of the reporting period during which the scope-of-service change occurred.

**(2)** Reporting an increase that meets or exceeds the threshold of 1.75% is optional. If your rate decreased more than 2.5% AND you have experienced a decrease in the scope-of-services, filing is mandatory.

CHANGE IN SCOPE-OF-SERVICE REQUEST  
SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Legal Name:  
LA MAESTRA COMMUNITY HEALTH  
CENTERS—CITY HEIGHTS

Provider No. (NPI)  
1609849074

Fiscal Period Ended:  
JUNE 30, 2011

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC Health Care Cost</b>			
1. Physician	\$700,475	\$0	\$700,475
2. Physician Assistant	172,315	0	172,315
3. Nurse Practitioner	232,647	0	232,647
4. Other Nurse	260,277	0	260,277
5. Laboratory Technician	97,496	0	97,496
6. Other (Specify)	229,671	0	229,671
7. Medical Support Staff	325,101	0	325,101
8. Psychologist/Psychiatrist/LCSW	385,511	0	385,511
9. Radiology	67,667	0	67,667
10. Fringe Benefits	580,413	0	580,413
11.	0	0	0
12.	0	0	0
13. Subtotal-FQHC Health Care Costs	\$3,051,573	\$0	\$3,051,573
14. Physician Services Under Agreement	\$0	\$0	\$0
15. Physician Supervision	0	0	0
16.	0	0	0
<b>17. Other Health Care Costs</b>			
18. Pharmacy	\$570,711	\$0	\$570,711
19. Dental	81,687	(81,687)	0
20. Optometry	73,626	0	73,626
21. Medical Supplies	246,704	0	246,704
22. Depreciation-Medical Equipment	54,462	0	54,462
23. Professional Liability Insurance	0	0	0
24. Home Office Direct Cost (from home ofc. cost report-sch 6)	52,392	0	52,392
25. Other (Specify)	0	0	0
26. Clinic Recep/Medical Records/Referral Clerks, etc.	829,925	0	829,925
27. [Left Blank by provider-Administrative Costs]	43,531	0	43,531
28. Subtotal-Other Health Care Costs	\$1,953,038	(\$81,687)	\$1,871,351
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$5,004,611	(\$81,687)	\$4,922,924
<b>FQHC Overhead-Facility Cost</b>			
30. Rent	\$9,390	0	\$9,390
31. Insurance	2,775	0	2,775
32. Interest Expense	392,108	0	392,108
33. Utilities	181,750	0	181,750
34. Depreciation-Building	562,062	0	562,062
35. Depreciation-Equipment	0	0	0
36. Housekeeping And Maintenance	701,090	0	701,090
37. Property Tax	17,423	0	17,423
38. Other (Specify)	0	0	0
39. Depreciation-Auto	5,151	0	5,151
40. [Left Blank by provider-Home Office Allocated Pool Costs-Facility ]	307,976	0	307,976
41. Subtotal-Facility Costs (Lines 30-40)	\$2,179,725	\$0	\$2,179,725
<b>FQHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$98,015	\$0	\$98,015
43. Depreciation-Office Equipment	135,958	0	135,958
44. Office Supplies	182,195	0	182,195
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance (Specify)	0	0	0
48. Telephone	64,974	0	64,974
49. Fringe Benefits And Payroll Taxes	23,021	0	23,021
50. Home Office Pool Costs (from home ofc. cost report-sch 6)	1,499,397	0	1,499,397
51. Other (Specify)	108,705	0	108,705
52. Subtotal-Administrative Costs (Lines 42-51)	\$2,112,265	\$0	\$2,112,265
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$4,291,990	\$0	\$4,291,990
54. Nonreimbursable Costs (Specify)	\$117,327	\$0	\$117,327
55.	82,282	0	82,282
56.	102,037	0	102,037
57. Subtotal Nonreimbursable Costs	\$301,646	\$0	\$301,646
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$9,598,247	(\$81,687)	\$9,516,560

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name:  
LA MAESTRA COMMUNITY HEALTH CENTERS—CITY HEIGHTS

Provider No. (NPI)  
1609849074

Fiscal Period Ended:  
JUNE 30, 2011

Cost Center	Total	Adjustment (No. 1)	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment
<b>FQHC Health Care Cost</b>							
1. Physician	0						
2. Physician Assistant	0						
3. Nurse Practitioner	0						
4. Other Nurse	0						
5. Laboratory Technician	0						
6. Other (Specify)	0						
7. Medical Support Staff	0						
8. Psychologist/Psychiatrist/LCSW	0						
9. Radiology	0						
10. Fringe Benefits	0						
11. 0	0						
12. 0	0						
13. Subtotal-FQHC Health Care Costs	0	0	0	0	0	0	0
14. Physician Services Under Agreement	0						
15. Physician Supervision	0						
16.	0						
<b>Other Health Care Costs</b>							
17. Pharmacy	0						
18. Dental	(81,687)	(81,687)					
19. Optometry	0						
20. Medical Supplies	0						
21. Depreciation-Medical Equipment	0						
22. Professional Liability Insurance	0						
23. Home Office Direct Cost (from home ofc. cost report-	0						
24. Other (Specify)	0						
25. Clinic Recep/Medical Records/Referral Clerks, etc.	0						
26. [Left Blank by provider-Administrative Costs]	0						
27. Subtotal-Other Health Care Costs	(81,687)	(81,687)	0	0	0	0	0
28. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(81,687)	(81,687)	0	0	0	0	0
<b>FQHC Overhead-Facility Cost</b>							
29. Rent	0						
30. Insurance	0						
31. Interest Expense	0						
32. Utilities	0						
33. Depreciation-Building	0						
34. Depreciation-Equipment	0						
35. Housekeeping And Maintenance	0						
36. Property Tax	0						
37. Other (Specify)	0						
38. Depreciation-Auto	0						
39. [Left Blank by provider-Home Office Allocated Pool C	0						
40. Subtotal-Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
<b>FQHC Overhead-Administrative Cost</b>							
41. Office Salaries	0						
42. Depreciation-Office Equipment	0						
43. Office Supplies	0						
44. Legal	0						
45. Accounting	0						
46. Insurance (Specify)	0						
47. Telephone	0						
48. Fringe Benefits And Payroll Taxes	0						
49. Home Office Pool Costs (from home ofc. cost report-	0						
50. Other (Specify)	0						
51. Subtotal-Administrative Costs (Lines 42-51)	0	0	0	0	0	0	0
52. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	0	0	0	0	0	0	0
53. Nonreimbursable Costs (Specify)	0						
54. 0	0						
55. 0	0						
56. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
57. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(81,687)	(81,687)	0	0	0	0	0

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name:  
LA MAESTRA COMMUNITY HEALTH CENTERS—CITY  
HEIGHTS

Provider No.  
1609849074

Fiscal Period Ended:  
JUNE 30, 2011

Cost Center	Adjustment						
<b>FQHC Health Care Cost</b>							
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Laboratory Technician							
6. Other (Specify)							
7. Medical Support Staff							
8. Psychologist/Psychiatrist/LCSW							
9. Radiology							
10. Fringe Benefits							
11. 0							
12. 0							
13. Subtotal-FQHC Health Care Costs	0	0	0	0	0	0	0
14. Physician Services Under Agreement							
15. Physician Supervision							
16.							
<b>Other Health Care Costs</b>							
17. Pharmacy							
18. Dental							
19. Optometry							
20. Medical Supplies							
21. Depreciation-Medical Equipment							
22. Professional Liability Insurance							
23. Home Office Direct Cost (from home ofc. cost report-							
24. Other (Specify)							
25. Clinic Recep/Medical Records/Referral Clerks, etc.							
26. [Left Blank by provider-Administrative Costs]							
27. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
28.							
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	0	0	0	0	0	0	0
<b>FQHC Overhead-Facility Cost</b>							
30. Rent							
31. Insurance							
32. Interest Expense							
33. Utilities							
34. Depreciation-Building							
35. Depreciation-Equipment							
36. Housekeeping And Maintenance							
37. Property Tax							
38. Other (Specify)							
39. Depreciation-Auto							
40. [Left Blank by provider-Home Office Allocated Pool C							
41. Subtotal-Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries							
43. Depreciation-Office Equipment							
44. Office Supplies							
45. Legal							
46. Accounting							
47. Insurance (Specify)							
48. Telephone							
49. Fringe Benefits And Payroll Taxes							
50. Home Office Pool Costs (from home ofc. cost report-							
51. Other (Specify)							
52. Subtotal-Administrative Costs (Lines 42-51)	0	0	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	0	0	0	0	0	0	0
54. Nonreimbursable Costs (Specify)							
55. 0							
56. 0							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	0	0	0	0	0	0	0

Provider Legal Name					Fiscal Period	Provider Number, NPI	Adjustments	
LA MAESTRA COMMUNITY HEALTH CENTERS—CITY HEIGHTS					JULY 1, 2010 THROUGH JUNE 30, 2011	FHC70472G, 1609849074	4	
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Change in Scope-of-Service Report		Change in Scope-of-Service Request					
	Schedule	Line	Worksheet	Line				
<b><u>ADJUSTMENT TO REPORTED COSTS</u></b>								
1	2A	19	2	19	Dental To eliminate dental compensation and other expenses not related to the clinic. 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 2300 and 2304	\$81,687	(\$81,687)	\$0

Provider Legal Name					Fiscal Period	Provider Number, NPI	Adjustments	
LA MAESTRA COMMUNITY HEALTH CENTERS—CITY HEIGHTS					JULY 1, 2010 THROUGH JUNE 30, 2011	FHC70472G, 1609849074	4	
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Change in Scope-of-Service Report		Change in Scope-of-Service Request					
	Schedule	Line	Worksheet	Line				
<b>ADJUSTMENTS TO REPORTED VISITS</b>								
2	1	B2	3	B2	Total FQHC/RHC Visits To include medical visits for Hoover High School, based on provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 2300 and 2304	42,152	401	42,553 *
3	1	B2	3	B2	Total FQHC/RHC Visits To include medical visits for Central Elementary School, based on provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 2300 and 2304	* 42,553	266	42,819 *
4	1	B2	3	B2	Total FQHC/RHC Visits To include medical visits for Paradise Valley clinic, based on provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 2300 and 2304	* 42,819	152	42,971

\*Balance carried forward from prior/to subsequent adjustments