

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

**SAN YSIDRO HEALTH CENTER  
SAN YSIDRO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1952364747**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2012**

**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: James Conklin**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

November 8, 2013

Administrator  
San Ysidro Health Center  
4004 Beyer Boulevard  
San Ysidro, CA 92173

PROVIDER LEGAL NAME: CENTRO DE SALUD DE LA COMUNIDAD DE SAN YSIDRO  
DBA: SAN YSIDRO HEALTH CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI) 1952364747  
FISCAL PERIOD ENDED DECEMBER 31, 2012

SUBJECT: CHANGE IN SCOPE-OF-SERVICE REQUEST

We have examined the Clinic's Federally Qualified Health Clinic (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 as presented in Schedule 1 represents 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>
\$230.40	January 1, 2013

In addition, your rate will be increased to \$232.24, effective October 1, 2013, to reflect the MEI increase of 0.8%.

This determination includes:

1. Computation of Change in Scope-Of-Service Request (Schedule 1) and supporting schedules
2. Audit Adjustments Schedule

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, Administrative Appeals, Office of Legal Services, Department of Health Care Services, 1029 J Street, Suite 200, Sacramento, California 95814. This 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 the Assistant Chief Counsel, Appeals and Suspension Section, Office of Legal Services, Department of Health Care Services, 1501 Capitol Avenue, P.O. Box 942732, Sacramento, California 94234-7320.

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

cc: Tony Weber, CFO  
San Ysidro Health Center  
1275 30<sup>th</sup> Street  
San Diego, CA 92154

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

Provider Legal Name:

NPI:

Fiscal Period Ended:

SAN YSIDRO HEALTH CENTER

1952364747

DECEMBER 31, 2012

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

	REPORTED	AUDITED
1. Total FQHC/RHC Health Care Services Cost (Sch 2, Ln 29)	\$17,809,294	\$ 17,252,543
2. Nonreimbursable FQHC/RHC Costs Excluding Overhead (Sch 2, Ln 57)	\$ 71,719	\$ 71,719
3. Cost of All Services Excluding Overhead (Ln 1 + Ln 2)	\$17,881,013	\$ 17,324,262
4. Percentage of Nonreimbursable FQHC/RHC Costs (Ln 2 / Ln 3)	0.004011	0.004140
5. Total Overhead (Sch 2, Ln 53)	\$12,821,412	\$ 12,591,967
6. Overhead Applicable to Non-Reimbursable FQHC/RHC Costs (Ln 5 x Ln 4)	\$ 51,425	\$ 52,128
7. Overhead Applicable to FQHC/RHC Services (Ln 5 - Ln 6)	\$12,769,987	\$ 12,539,839
8. Total Cost of FQHC/RHC Services (Ln 1 + Ln 7)	\$30,579,281	\$ 29,792,382

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

1. Total FQHC/RHC Cost (PART A, Ln 8)	\$ 30,579,281	\$ 29,792,382
2. Total FQHC/RHC Visits (From Provider Records) (Adj. 9)	125,908	128,788
3. Total FQHC/RHC Nonreimbursable Services Visits (From Provider Records) (Adj. )	-	-
4. Total FQHC/RHC Adjusted Visits (Ln 2 - Ln 3)	125,908	128,788
5. FQHC/RHC Cost Per Visit (Ln 1 / Ln 4)	\$ 242.87	\$ 231.33

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

1. FQHC/RHC Cost Per Visit (PART B, Ln 5)	\$ 242.87	\$ 231.33
2. Current PPS rate per visit	\$ 226.68	\$ 226.68
3. Net Increase or Decrease in FQHC/RHC Rate (Ln 1 - Ln 2) Show decrease in parenthesis	\$ 16.19	\$ 4.65

**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 equal to or greater than this amount)	\$ 3.97	\$ 3.97
5. Threshold Amount: Line 2 x 2.50% (Complete Part D if a decrease on Line 3 is greater than this amount)	\$ -	\$ 5.67

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

1. FQHC/RHC Rate increase or decrease (PART C, Ln 3) Show decrease in parenthesis	\$ 16.19	\$ 4.65
2. FQHC/RHC Rate increase or decrease adjustment of 20% (Ln 1 x 20%)	\$ 3.24	\$ 0.93
3. FQHC/RHC Rate increase or decrease after adjustment of 20% (Ln 1 - Ln 2)	\$ 12.95	\$ 3.72
4. Current PPS rate per visit (from Line C2)	\$ 226.68	\$ 226.68
5. New PPS Rate (Ln 3 plus Ln 4)	\$ 239.63	\$ 230.40

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

Provider Legal Name:

NPI:

Fiscal Period Ended:

SAN YSIDRO HEALTH CENTER

1952364747

DECEMBER 31, 2012

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC Health Care Cost</b>			
1. Physician	\$3,495,324	(\$99,711)	\$3,395,613
2. Physician Assistant	666,002	(5,245)	660,757
3. Nurse Practitioner	237,600	(1,870)	235,730
4. Other Nurse	574,676	(4,525)	570,151
5. Laboratory Technician	343,546	(2,706)	340,840
6. Education and Outreach	246,691	(105,255)	141,436
7. Case Management	299,934	(2,361)	297,573
8. Other Medical		0	0
9. Medical Records	593,118	(4,692)	588,426
10. Support Staff	1,710,573	(13,470)	1,697,103
11. Mental Health	212,986	(1,677)	211,309
12. Other: Social Services	0	0	0
13. Subtotal-FQHC Health Care Costs	\$8,380,450	(\$241,512)	\$8,138,938
14. Physician Services Under Agreement	\$751,356	\$0	\$751,356
15. Physician Supervision	0	0	0
16.	0	0	0
<b>17. Other Health Care Costs</b>			
18. Pharmacy	\$0	\$0	\$0
19. Dental	2,977,241	(21,259)	2,955,982
20. Optometry	79,175	(608)	78,567
21. Medical Supplies	539,022	0	539,022
22. Depreciation-Medical Equipment	0	0	0
23. Professional Liability Insurance	0	0	0
24. Home Office Direct Cost (from home ofc. cost report-sch 6)	4,997,291	(292,705)	4,704,586
25. Other (Specify)	0	0	0
26. Radiology	84,759	(667)	84,092
27.	0	0	0
28. Subtotal-Other Health Care Costs	\$8,677,488	(\$315,239)	\$8,362,249
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$17,809,294	(\$556,751)	\$17,252,543
<b>FQHC Overhead-Facility Cost</b>			
30. Rent	\$12,255	0	\$12,255
31. Insurance	0	0	0
32. Interest Expense	535,173	0	535,173
33. Utilities	271,234	0	271,234
34. Depreciation-Building	653,799	0	653,799
35. Depreciation-Equipment	276,555	0	276,555
36. Housekeeping And Maintenance	374,974	0	374,974
37. Property Tax	10,062	0	10,062
38. Other (Specify) Minor Equipment	81,523	0	81,523
39.	0	0	0
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$2,215,575	\$0	\$2,215,575
<b>FQHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$3,416,218	(\$26,901)	\$3,389,317
43. Depreciation-Office Equipment	0	0	0
44. Office Supplies	433,860	0	433,860
45. Legal	0	0	0
46. Accounting		0	0
47. Insurance (Specify)		0	0
48. Telephone	64,938	0	64,938
49. Fringe Benefits And Payroll Taxes	0	0	0
50. Home Office Pool Costs (from home ofc. cost report-sch 6)	5,998,708	(49,655)	5,949,053
51. Other (Specify) Administration	692,113	(152,889)	539,224
52. Subtotal-Administrative Costs (Lines 42-51)	\$10,605,837	(\$229,445)	\$10,376,392
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$12,821,412	(\$229,445)	\$12,591,967
54. Nonreimbursable Costs (Specify)	\$0	\$0	\$0
55. Home Office Pool Costs (from home ofc. cost report-sch 6)	71,719	0	71,719
56.	0	0	0
57. Subtotal Nonreimbursable Costs	\$71,719	\$0	\$71,719
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$30,702,425	(\$786,196)	\$29,916,229

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name:

NPI:

Fiscal Period Ended:

SAN YSIDRO HEALTH CENTER

1952364747

DECEMBER 31, 2012

Cost Center	Total	Adjustment (No. 1)	Adjustment (No. 2)	Adjustment (No. 3)	Adjustment (No. 4)	Adjustment (No. 5)	Adjustment (No. 6)
<b>FQHC Health Care Cost</b>							
1. Physician	(99,711)	(27,524)	(72,187)				
2. Physician Assistant	(5,245)	(5,245)					
3. Nurse Practitioner	(1,870)	(1,870)					
4. Other Nurse	(4,525)	(4,525)					
5. Laboratory Technician	(2,706)	(2,706)					
6. Education and Outreach	(105,255)	(1,942)		(103,313)			
7. Case Management	(2,361)	(2,361)					
8. Other Medical	0						
9. Medical Records	(4,692)	(4,692)					
10. Support Staff	(13,470)	(13,470)					
11. Mental Health	(1,677)	(1,677)					
12. Other: Social Services	0						
13. Subtotal-FQHC Health Care Costs	(241,512)	(66,012)	(72,187)	(103,313)	0	0	0
14. Physician Services Under Agreement	0						
15. Physician Supervision	0						
16.	0						
<b>17. Other Health Care Costs</b>							
18. Pharmacy	0						
19. Dental	(21,259)	(21,259)					
20. Optometry	(608)	(608)					
21. Medical Supplies	0						
22. Depreciation-Medical Equipment	0						
23. Professional Liability Insurance	0						
24. Home Office Direct Cost (from home ofc. cost report-sch 6)	(292,705)					(292,705)	
25. Other (Specify)	0						
26. Radiology	(667)	(667)					
27.	0						
28. Subtotal-Other Health Care Costs	(315,239)	(22,534)	0	0	0	(292,705)	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(556,751)	(88,546)	(72,187)	(103,313)	0	(292,705)	0
<b>FQHC Overhead-Facility Cost</b>							
30. Rent	0						
31. Insurance	0						
32. Interest Expense	0						
33. Utilities	0						
34. Depreciation-Building	0						
35. Depreciation-Equipment	0						
36. Housekeeping And Maintenance	0						
37. Property Tax	0						
38. Other (Specify) Minor Equipment	0						
39.	0						
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries	(26,901)	(26,901)					
43. Depreciation-Office Equipment	0						
44. Office Supplies	0						
45. Legal	0						
46. Accounting	0						
47. Insurance (Specify)	0						
48. Telephone	0						
49. Fringe Benefits And Payroll Taxes	0						
50. Home Office Pool Costs (from home ofc. cost report-sch 6)	(49,655)						(41,676)
51. Other (Specify) Administration	(152,889)				(152,589)		
52. Subtotal-Administrative Costs (Lines 42-51)	(229,445)	(26,901)	0	0	(152,589)	0	(41,676)
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(229,445)	(26,901)	0	0	(152,589)	0	(41,676)
54. Nonreimbursable Costs (Specify)	0						
55. Home Office Pool Costs (from home ofc. cost report-sch 6)	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)	(786,196)	(115,447)	(72,187)	(103,313)	(152,589)	(292,705)	(41,676)

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name:

Provider No.

Fiscal Period Ended:

SAN YSIDRO HEALTH CENTER

1952364747

DECEMBER 31, 2012

Cost Center	Adjustment (No. 7)	Adjustment (No. 8)	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment
<b>FQHC Health Care Cost</b>							
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Laboratory Technician							
6. Education and Outreach							
7. Case Management							
8. Other Medical							
9. Medical Records							
10. Support Staff							
11. Mental Health							
12. Other: Social Services							
13. Subtotal-FQHC Health Care Costs	0	0	0	0	0	0	0
14. Physician Services Under Agreement							
15. Physician Supervision							
16.							
<b>17. Other Health Care Costs</b>							
18. Pharmacy							
19. Dental							
20. Optometry							
21. Medical Supplies							
22. Depreciation-Medical Equipment							
23. Professional Liability Insurance							
24. Home Office Direct Cost (from home ofc. cost report-sch 6)							
25. Other (Specify)							
26. Radiology							
27.							
28. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
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) Minor Equipment							
39.							
40.							
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-sch 6)	(7,979)						
51. Other (Specify) Administration		(300)					
52. Subtotal-Administrative Costs (Lines 42-51)	(7,979)	(300)	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(7,979)	(300)	0	0	0	0	0
54. Nonreimbursable Costs (Specify)							
55. Home Office Pool Costs (from home ofc. cost report-sch 6)							
56.							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(7,979)	(300)	0	0	0	0	0

Provider Legal Name				Fiscal Period		Provider Number (NPI)		Adjustments	
SAN YSIDRO HEALTH CENTER				JANUARY 1, 2012 THROUGH DECEMBER 31, 2012		1952364747		9	
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>ADJUSTMENTS TO REPORTED COSTS</u></b>									
1	2A	1	2	1	Physician	\$3,495,324	(\$27,524)	\$3,467,800	*
	2A	2	2	2	Physician Assistant	666,002	(5,245)	660,757	
	2A	3	2	3	Nurse Practitioner	237,600	(1,870)	235,730	
	2A	4	2	4	Other Nurse	574,676	(4,525)	570,151	
	2A	5	2	5	Laboratory Technician	343,546	(2,706)	340,840	
	2A	6	2	6	Education and Outreach	246,691	(1,942)	244,749	*
	2A	7	2	7	Case Management	299,934	(2,361)	297,573	
	2A	9	2	9	Medical Records	593,118	(4,692)	588,426	
	2A	10	2	10	Support Staff	1,710,573	(13,470)	1,697,103	
	2A	11	2	11	Mental Health	212,986	(1,677)	211,309	
	2A	19	2	19	Dental	2,977,241	(21,259)	2,955,982	
	2A	20	2	20	Optometry	79,175	(608)	78,567	
	2A	26	2	26	Radiology	84,759	(667)	84,092	
	2A	42	2	42	Office Salaries	3,416,218	(26,901)	3,389,317	
					To reconcile the reported employee benefits expense to agree with the provider's general ledger 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304				
2	2A	1	2	1	Physician	*	\$3,467,800	(\$72,187)	\$3,395,613
					To offset fees paid for physician work outside clinic when they were salaried employees of San Ysidro Health Center 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328				
3	2A	6	2	6	Education and Outreach	*	\$244,749	(\$103,313)	\$141,436
					To offset fees paid health educator outside of the clinic as they were salaried employees 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328				
4	2A	51	2	51	Administration - Other		\$692,113	(\$152,589)	\$539,524 *
					To abate legal deposit refund related to previous period legal fees. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328				

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
SAN YSIDRO HEALTH CENTER					JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	1952364747		9
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>ADJUSTMENTS TO REPORTED COSTS</u></b>								
5	2A	24	2	24	Home Office Direct Costs To adjust Home Office Direct Pharmacy cost based upon current year usage statistics. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2304	\$4,997,291	(\$292,705)	\$4,704,586
6	2A	50	2	50	Home Office Pooled Costs To adjust reported home office facility costs to agree with the audit findings using current square footage statistics for allocation of facility cost. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304	\$5,998,708	(\$41,676)	\$5,957,032 *
7	2A	50	2	50	Home Office Direct Costs To offset pharmacy settlement from GlaxosSmithKline as a cost recovery in the period it was received. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328	* \$5,957,032	(\$7,979)	\$5,949,053
8	2A	51	2	51	Administration - Other To abate legal deposit refund related to previous period legal fees. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328	* \$539,524	(\$300)	\$539,224

\*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name					Fiscal Period		Provider Number (NPI)		Adjustments
SAN YSIDRO HEALTH CENTER					JANUARY 1, 2012 THROUGH DECEMBER 31, 2012		1952364747		9
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					
<u>ADJUSTMENT TO REPORTED PATIENT VISITS</u>									
9	1	2	3	B2	Total FQHC Visits		125,908	2,880	128,788
					To adjust total visits to agree with the provider's final visit documentation for all patient visits.				
					42 CFR 405.2463, 405.2470, 413.20, and 413.24				
					CMS Pub. 15-1, Sections 2300 and 2304				