

**REPORT  
ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
CHANGE IN SCOPE-OF-SERVICE REQUEST  
UNITED HEALTH CENTERS OF THE SAN JOAQUIN  
VALLEY  
FQHC PROVIDER NUMBERS (NPI): 1801878350,  
1417939968, 1134101686, 1851373401, 1184606634,  
1649252198, 1992787444**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2012**

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

**Section Chief: Michael Harrold  
Auditors: Jeanene Lopez, Sandy Feng and Paul Vandrick**



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



EDMUND G. BROWN JR.  
GOVERNOR

January 14, 2014

Colleen Curtis, CEO  
United Health Centers of the San Joaquin Valley  
650 South Zediker  
P.O. Box 790  
Parlier, CA 93648

PROVIDER NAME: UNITED HEALTH CENTERS OF THE SAN JOAQUIN VALLEY  
FQHC PROVIDER NOS. (NPI): 1801878350, 1417939968, 1134101686, 1851373401,  
1184606634, 1649252198, 1992787444  
FISCAL PERIOD ENDED DECEMBER 31, 2012

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 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>
\$135.42	January 1, 2013

In addition, your rate will be increased to \$136.50, effective October 1, 2013 to reflect the MEI increase of .8%.

This determination includes:

1. Computation of Audited PPS Rate (Schedule 1) and supporting schedules
2. Audit Adjustments
3. Audited Allocation of Home Office Cost

Colleen Curtis, CEO  
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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 further questions regarding this report, please contact Jeanene Lopez, Auditor, at (559) 446-2458.

Sincerely,

Original Signed by

Michael A. Harrold, Chief  
Audit Section-Fresno  
Financial Audits Branch

Certified

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

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

UNITED HEALTH CENTERS OF THE SAN  
JOAQUIN VALLEY

1801878350, 1417939968, 1134101686,  
1851373401, 1184606634, 1649252198,  
1992787444

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)	\$ 13,987,987	\$ 12,839,200
2. Nonreimbursable FQHC/RHC Costs Excluding Overhead (Sch 2, Ln 57)	\$ -	\$ 2,148,379
3. Cost of All Services Excluding Overhead (Ln 1 + Ln 2)	\$ 13,987,987	\$ 14,987,579
4. Percentage of Nonreimbursable FQHC/RHC Costs (Ln 2 / Ln 3)	0.000000	0.143344
5. Total Overhead -(Sch 2, Ln 53)	\$ 15,406,383	\$ 13,497,251
6. Overhead Applicable to Non-Reimbursable FQHC/RHC Costs (Ln 5 x Ln 4)	\$ -	\$ 1,934,749
7. Overhead Applicable to FQHC/RHC Services (Ln 5 - Ln 6)	\$ 15,406,383	\$ 11,562,502
8. Total Cost of FQHC/RHC Services (Ln 1 + Ln 7)	\$ 29,394,370	\$ 24,401,702

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

1. Total FQHC/RHC Cost (PART A, Ln 8)	\$ 29,394,370	\$ 24,401,702
2. Total FQHC/RHC Visits (From Provider Records) (Adj. 12)	180,004	184,073
3. Total FQHC/RHC Nonreimbursable Services Visits (From Provider Records) (Adj. )		-
4. Total FQHC/RHC Adjusted Visits (Ln 2 - Ln 3)	180,004	184,073
5. FQHC/RHC Cost Per Visit (Ln 1 / Ln 4)	\$ 163.30	\$ 132.57

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

1. FQHC/RHC Cost Per Visit (PART B, Ln 5)	\$ 163.30	\$ 132.57
2. Current PPS rate per visit	\$ 146.84	\$ 146.84
3. Net Increase or Decrease in FQHC/RHC Rate (Ln 1 - Ln 2) Show decrease in parenthesis	\$ 16.46	\$ (14.27)

**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)	\$ 2.57	\$ 2.57
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>	\$ 3.67	\$ 3.67

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

1. FQHC/RHC Rate increase or decrease (PART C, Ln 3) Show decrease in parenthesis	\$ 16.46	\$ (14.27)
2. FQHC/RHC Rate increase or decrease adjustment of 20% (Ln 1 x 20%)	\$ 3.29	\$ (2.85)
3. FQHC/RHC Rate increase or decrease after adjustment of 20% (Ln 1 - Ln 2)	\$ 13.17	\$ (11.42)
4. Current PPS rate per visit (from Line C2)	\$ 146.84	\$ 146.84
5. New PPS Rate (Ln 3 plus Ln 4)	\$ 160.01	\$ 135.42

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

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

UNITED HEALTH CENTERS OF THE SAN  
JOAQUIN VALLEY1801878350, 1417939968, 1134101686,  
1851373401, 1184606634, 1649252198, 1992787444

DECEMBER 31, 2012

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC Health Care Cost</b>			
1. Physician	\$4,094,755	\$0	\$4,094,755
2. Physician Assistant	515,064	0	515,064
3. Nurse Practitioner	302,698	0	302,698
4. Other Nurse	292,272	0	292,272
5. Laboratory Technician	0	0	0
6. Other (Specify)	0	0	0
7. CPSP	322,121	0	322,121
8. Other Medical	78,458	0	78,458
9. Medical Records	428,891	(60,140)	368,751
10. Support Staff Medical Assistants	1,580,140	0	1,580,140
11. Mental Health	253,946	0	253,946
12. Transportation	80,713	0	80,713
13. Subtotal-FQHC Health Care Costs	\$7,949,058	(\$60,140)	\$7,888,918
14. Physician Services Under Agreement	\$288,609	(\$2,120)	\$286,489
15. Physician Supervision	0	0	0
16.	0	0	0
<b>17. Other Health Care Costs</b>			
18. Pharmacy	\$0	\$0	\$0
19. Dental	3,521,987	(158,061)	3,363,926
20. Optometry	0	0	0
21. Medical Supplies	1,370,043	(739,050)	630,993
22. Depreciation-Medical Equipment	0	0	0
23. Professional Liability Insurance	0	0	0
24. Home Office Direct Cost	499,900	(189,416)	310,484
25. Other (Specify)	0	0	0
26.	230,359	0	230,359
27.	128,031	0	128,031
28. Subtotal-Other Health Care Costs	\$5,750,320	(\$1,086,527)	\$4,663,793
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$13,987,987	(\$1,148,787)	\$12,839,200
<b>FQHC Overhead-Facility Cost</b>			
30. Rent	\$65	0	\$65
31. Insurance	0	0	0
32. Interest Expense	0	0	0
33. Utilities	360,137	0	360,137
34. Depreciation-Building	0	0	0
35. Depreciation-Equipment	0	0	0
36. Housekeeping And Maintenance	458,460	0	458,460
37. Property Tax	27,532	0	27,532
38. Other (Specify)	0	0	0
39. Home Office Facilities Cost	1,999,482	154,314	2,153,796
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$2,845,676	\$154,314	\$2,999,990
<b>FQHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$1,813,245	\$60,140	\$1,873,385
43. Depreciation-Office Equipment	0	0	0
44. Office Supplies	26,156	0	26,156
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance (Specify)	0	0	0
48. Telephone	95,484	0	95,484
49. Fringe Benefits And Payroll Taxes	3,289,612	(14,825)	3,274,787
50. Home Office Pool Costs	7,336,210	(2,108,761)	5,227,449
51. Other (Specify)	0	0	0
52. Subtotal-Administrative Costs (Lines 42-51)	\$12,560,707	(\$2,063,446)	\$10,497,261
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$15,406,383	(\$1,909,132)	\$13,497,251
54. Nonreimbursable Costs (Specify)	\$0	\$2,148,379	\$2,148,379
55.	0	0	0
56.	0	0	0
57. Subtotal Nonreimbursable Costs	\$0	\$2,148,379	\$2,148,379
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$29,394,370	(\$909,540)	\$28,484,830

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

**Provider Legal Name**  
**UNITED HEALTH CENTERS OF THE SAN JOAQUIN VALLEY**

**Provider No. (NPI)**  
 1801878350, 1417939968, 1134101686, 1851373401,  
 1184606634, 1649252198, 1992787444

**Fiscal Period Ended**  
 DECEMBER 31, 2012

Cost Center	Total	Adjustment (No. 1)	Adjustment (No. 2-3)	Adjustment (No. 4)	Adjustment (No. 5)	Adjustment (No. 6-7)	Adjustment (No. 8-10)
<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. CPSP	0						
8. Other Medical	0						
9. Medical Records	(60,140)	(60,140)					
10. Support Staff Medical Assistants	0						
11. Mental Health	0						
12. Transportation	0						
13. Subtotal-FQHC Health Care Costs	(60,140)	(60,140)	0	0	0	0	0
14. Physician Services Under Agreement	(2,120)			(2,120)			
15. Physician Supervision	0						
16.	0						
<b>17. Other Health Care Costs</b>							
18. Pharmacy	0						
19. Dental	(158,061)						(158,061)
20. Optometry	0						
21. Medical Supplies	(739,050)		(739,050)				
22. Depreciation-Medical Equipment	0						
23. Professional Liability Insurance	0						
24. Home Office Direct Cost	(189,416)						
25. Other (Specify)	0						
26.	0						
27.	0						
28. Subtotal-Other Health Care Costs	(1,086,527)	0	(739,050)	0	0	0	(158,061)
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(1,148,787)	(60,140)	(739,050)	(2,120)	0	0	(158,061)
<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)	0						
39. Home Office Facilities Cost	154,314						
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	154,314	0	0	0	0	0	0
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries	60,140	60,140					
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	(14,825)					(14,825)	
50. Home Office Pool Costs	(2,108,761)						
51. Other (Specify)	0						
52. Subtotal-Administrative Costs (Lines 42-51)	(2,063,446)	60,140	0	0	0	(14,825)	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(1,909,132)	60,140	0	0	0	(14,825)	0
54. Nonreimbursable Costs (Specify)	2,148,379				2,148,379		
55.	0						
56.	0						
57. Subtotal Nonreimbursable Costs	2,148,379	0	0	0	2,148,379	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(909,540)	0	(739,050)	(2,120)	2,148,379	(14,825)	(158,061)

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name	Provider No.				Fiscal Period Ended		
UNITED HEALTH CENTERS OF THE SAN JOAQUIN VALLEY	1801878350, 1417939968, 1134101686, 1851373401, 1184606634, 1649252198, 1992787444				DECEMBER 31, 2012		
Cost Center	Adjustment (No. 11)	Adjustment (No. )	Adjustment (No. )	Adjustment (No. )	Adjustment (No. )	Adjustment (No. )	Adjustment (No. )
<b>FQHC Health Care Cost</b>							
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Laboratory Technician							
6. Other (Specify)							
7. CPSP							
8. Other Medical							
9. Medical Records							
10. Support Staff Medical Assistants							
11. Mental Health							
12. Transportation							
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	(189,416)						
24. Other (Specify)							
25.							
26.							
27.							
28. Subtotal-Other Health Care Costs	(189,416)	0	0	0	0	0	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(189,416)	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. Home Office Facilities Cost	154,314						
40.							
41. Subtotal-Facility Costs (Lines 30-40)	154,314	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	(2,108,761)						
51. Other (Specify)							
52. Subtotal-Administrative Costs (Lines 42-51)	(2,108,761)	0	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(1,954,447)	0	0	0	0	0	0
54. Nonreimbursable Costs (Specify)							
55.							
56.							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(2,143,863)	0	0	0	0	0	0

Provider Legal Name				Fiscal Period		Provider Number (NPI)		Adjustments	
UNITED HEALTH CENTERS OF THE SAN JOAQUIN VALLEY				JANUARY 1, 2012 THROUGH DECEMBER 31, 2012		1801878350, 1417939968, 1134101686, 1851373401, 1184606634, 1649252198, 1992787444		12	
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 PATIENT VISITS</u></b>									
12	1	B2	3	B2	Total FQHC/RHC Visits To adjust total visits to agree with the provider's records. 42 CFR 405.2463, 405.2470, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	180,004	4,069	184,073	