

**REPORT  
ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
RATE SETTING COST REPORT AUDIT  
BOLINAS FAMILY PRACTICE  
NATIONAL PROVIDER IDENTIFIER: 1760584049**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2008**

**Audit Review and Analysis Section  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Louise Wong  
Audit Supervisor: Matthew Moy  
Auditor: Larry Vu**



TOBY DOUGLAS  
Director

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



EDMUND G. BROWN JR  
Governor

November 8, 2012

Nancy Dombrowski  
Accounting Manager  
Coastal Health Alliance – Bolinas Family Practice  
65 3rd Street  
Point Reyes Station, CA 94956

COASTAL HEALTH ALLIANCE - BOLINAS FAMILY PRACTICE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1760584049  
FISCAL PERIOD ENDED DECEMBER 31, 2008

We have examined the Clinic's Federally Qualified Health Center (FQHC) Medi-Cal cost report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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>
\$167.75	July 1, 2007 through September 30, 2009

In addition, your rate will be increased to \$170.43 effective October 1, 2009; \$172.48 effective October 1, 2010; \$173.17 effective October 1, 2011 to reflect the MEI increase of 1.6%, 1.2%, and 0.4% respectively.

We have instructed the Payment Systems Division to adjust your interim Managed Care rate (Code 18) to \$158.74 and your interim Medi-Cal Crossover rate (Code 02) to \$85.78, effective January 1, 2013.

This Audit Report includes the:

1. Computation of Medi-Cal Prospective Payment System 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:

John Melton, Chief  
Office of Administrative Appeals and Hearings  
1029 J Street, Suite 200  
MS 0017  
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  
P.O. Box 997413  
Sacramento, CA 95899-7413

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

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814-5005  
(916) 440-7700

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

If you have questions regarding this report, you may call the Audits Section—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section—Richmond  
Financial Audits Branch

Certified

**FQHC/RHC  
COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE**

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

**BOLINAS FAMILY PRACTICE****1760584049****DECEMBER 31, 2008**

## PART A - DETERMINATION OF OVERHEAD APPLICABLE TO MEDICAL SERVICES

	<b>REPORTED</b>	<b>AUDITED</b>
1. Cost of Services Excluding Overhead (Sch 2, L 29)	\$ 275,878	\$ 275,878
2. Nonreimbursable Costs Excluding Overhead (Sch 2, L 57)	2,623	2,623
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 278,501	\$ 278,501
4. Percentage of Nonreimbursable Costs (L A2 / L A3)	0.009418	0.009418
5. Total Overhead (Sch 2, L 53)	\$ 325,979	\$ 324,693
6. Overhead Applicable to Nonreimbursable Costs (L A4 * L A5)	3,070	3,058
7. Overhead Applicable to Medical Services (L A5 - L A6)	322,909	321,635
8. Total Cost of Medical Services (L A1 + L A7)	\$ 598,787	\$ 597,513

## PART B - DETERMINATION OF PPS RATE

1. Total Medical Costs (L A8)	\$ 598,787	\$ 597,513
2. Total FQHC/RHC Visits (Adj Nos. 2, 3)	2,823	3,566
3. Total Nonreimbursable Services Visits (Adj No )	4	4
4. FQHC/RHC Adjusted Visits (L B2 - L B3)	2,819	3,562
5. FQHC/RHC PPS Rate Per Visit (L B1 / L B4)	\$ 212.41	\$ 167.75

**FQHC/RHC  
SCHEDULE OF TRIAL BALANCE EXPENSES**

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

**BOLINAS FAMILY PRACTICE****1760584049****DECEMBER 31, 2008**

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC/RHC Health Care Cost</b>			
1. Physician	\$91,363	\$0	\$91,363
2. Physician Assistant	0	0	0
3. Nurse Practitioner	46,500	0	46,500
4. Other Nurse	2,099	0	2,099
5. Laboratory Technician	0	0	0
6. Other (Specify)	0	0	0
7.	0	0	0
8.	0	0	0
9.	0	0	0
10. Support Staff	81,096	0	81,096
11. Mental Health	11,227	0	11,227
12.	0	0	0
13. Subtotal - Health Care Costs	\$232,285	\$0	\$232,285
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	\$7,691	\$0	\$7,691
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	18,550	0	18,550
22. Depreciation - Medical Equipment	6,183	0	6,183
23. Professional Liability Insurance	1,610	0	1,610
24. Home Office Cost (from H.O. cost report-sch 6)	0	0	0
25. Laboratory	134	0	134
26. Radiology	3,366	0	3,366
27. Minor Medical Equipment and Rental / CME	6,059	0	6,059
28. Subtotal - Other Health Care Costs	\$43,593	\$0	\$43,593
29. Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	\$275,878	\$0	\$275,878
<b>FQHC/RHC Overhead - Facility Cost</b>			
30. Rent	\$6,798	\$0	\$6,798
31. Insurance	0	0	0
32. Interest Expense	(18)	0	(18)
33. Utilities	9,155	0	9,155
34. Depreciation - Building	56,043	0	56,043
35. Depreciation - Equipment	0	0	0
36. Housekeeping and Maintenance	12,166	0	12,166
37. Property Tax	0	0	0
38. Minor Equipment	0	0	0
39. Home Office Cost (from H.O. cost report-sch 6)	11,064	0	11,064
40.	0	0	0
41. Subtotal - Facility Costs (Lines 30-40)	\$95,208	\$0	\$95,208
<b>FQHC/RHC Overhead - Administrative Cost</b>			
42. Office Salaries	\$60,315	\$0	\$60,315
43. Depreciation - Office Equipment	11,707	0	11,707
44. Office Supplies	9,680	0	9,680
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance (Specify)	0	0	0
48. Telephone	2,872	0	2,872
49. Fringe Benefits And Payroll Taxes	0	0	0
50. Home Office Pooled Costs (from H.O. cost report-sch 6)	143,646	(1,286)	142,360
51. Other - Bank Charges, Dues, Licenses, Etc.	2,551	0	2,551
52. Subtotal - Administrative Costs (Lines 42-51)	\$230,771	(\$1,286)	\$229,485
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$325,979	(\$1,286)	\$324,693
54. Nonreimbursable Costs (Specify)	\$0	\$0	\$0
55. Advertising	2,623	0	2,623
56.	0	0	0
57. Subtotal Nonreimbursable Costs	\$2,623	\$0	\$2,623
58. Total Costs (Sum of Lines 29, 53, and 57)	\$604,480	(\$1,286)	\$603,194

FQHC/RHC  
ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

BOLINAS FAMILY PRACTICE

1760584049

DECEMBER 31, 2008

Cost Center	Total	Adjustment (No. 1)	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment
<b>FQHC/RHC 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.	0						
8.	0						
9.	0						
10. Support Staff	0						
11. Mental Health	0						
12.	0						
13. Subtotal - Health Care Costs	0	0	0	0	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	0						
20. Optometry	0						
21. Medical Supplies	0						
22. Depreciation - Medical Equipment	0						
23. Professional Liability Insurance	0						
24. Home Office Cost (from H.O. cost report-sch 6)	0						
25. Laboratory	0						
26. Radiology	0						
27. Minor Medical Equipment and Rental / CME	0						
28. Subtotal - Other Health Care Costs	0	0	0	0	0	0	0
29. Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	0	0	0	0	0	0	0
<b>FQHC/RHC 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. Minor Equipment	0						
39. Home Office Cost (from H.O. cost report-sch 6)	0						
40.	0						
41. Subtotal - Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
<b>FQHC/RHC Overhead - Administrative Cost</b>							
42. Office Salaries	0						
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 Pooled Costs (from H.O. cost report-sch 6)	(1,286)	(1,286)					
51. Other - Bank Charges, Dues, Licenses, Etc.	0						
52. Subtotal - Administrative Costs (Lines 42-51)	(1,286)	(1,286)	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(1,286)	(1,286)	0	0	0	0	0
54. Nonreimbursable Costs (Specify)	0						
55. Advertising	0						
56.	0						
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total Costs (Sum of Lines 29, 53, and 57)	(1,286)	(1,286)	0	0	0	0	0

ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name:

Provider No.

Fiscal Period Ended:

BOLINAS FAMILY PRACTICE

1760584049

DECEMBER 31, 2008

Cost Center	Adjustment						
<b>FQHC/RHC Health Care Cost</b>							
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Laboratory Technician							
6. Other (Specify)							
7.							
8.							
9.							
10. Support Staff							
11. Mental Health							
12.							
13. Subtotal - 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 Cost (from H.O. cost report-sch 6)							
25. Laboratory							
26. Radiology							
27. Minor Medical Equipment and Rental / CME							
28. Subtotal - Other Health Care Costs	0	0	0	0	0	0	0
29. Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	0	0	0	0	0	0	0
<b>FQHC/RHC 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. Minor Equipment							
39. Home Office Cost (from H.O. cost report-sch 6)							
40.							
41. Subtotal - Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
<b>FQHC/RHC 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 Pooled Costs (from H.O. cost report-sch 6)							
51. Other - Bank Charges, Dues, Licenses, Etc.							
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. Advertising							
56.							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total Costs (Sum of Lines 29, 53, and 57)	0	0	0	0	0	0	0

Provider Legal Name					Fiscal Period		Provider NPI		Adjustments
BOLINAS FAMILY PRACTICE					JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		1760584049		3
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Worksheet	Line					
<u>ADJUSTMENT TO REPORTED COST</u>									
1	2A	50	1	50	Home Office Pooled Costs To adjust the reported expense to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$143,646	(\$1,286)	\$142,360	

Provider Legal Name					Fiscal Period	Provider NPI		Adjustments
BOLINAS FAMILY PRACTICE					JANUARY 1, 2008 THROUGH DECEMBER 31, 2008	1760584049		3
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Worksheet	Line				
<b><u>ADJUSTMENTS TO REPORTED VISITS</u></b>								
2	1	B 2	2	B 2	Total FQHC/RHC Visits To adjust total FQHC (RHC) visits to agree with the provider's records. 42 CFR 413.20, 413.24 and 405.2470 CMS Pub. 15-1, Sections 2300 and 2304	2,823	3	2,826 *
3	1	B 2	2	B 2	Total FQHC/RHC Visits To adjust total FQHC (RHC) visits to agree with the minimum visits required under the productivity standards. 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 2300 and 2304 CMS Pub 27, Section 503	* 2,826	740	3,566

\*Balance carried forward from prior/to subsequent adjustments