

**APPEAL RECOMPUTATION
OF THE
FEDERALLY QUALIFIED HEALTH CENTER (FQHC)
RATE SETTING AUDIT REPORT**

**CLINICA DEL VALLE DEL PAJARO
WATSONVILLE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1629269618**

**FISCAL PERIOD ENDED
JUNE 30, 2008**

**Audits Section – Richmond
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Louise Wong
Audit Supervisor: Marisa Ho
Auditor: Ken Phelan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

October 25, 2012

Ms. Elizabeth C. Saviano, Esq.
Law Offices of Elizabeth C. Saviano
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Oakland, CA 94610

CLINICA DEL VALLE DEL PAJARO
NATIONAL PROVIDER IDENTIFIER (NPI) 1629269618
FISCAL PERIOD ENDED JUNE 30, 2008
CASE NUMBER: FQ13-0608-038B-PW

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated October 4, 2012 from the informal hearing, the following revisions are made to the Medi-Cal audit report dated June 12, 2012.

SUMMARY OF REVISIONS

MEDI-CAL PROSPECTIVE PAYMENT SYSTEM (PPS)
(Effective May 18, 2007 through September 30, 2008)

Audited PPS Rate	\$110.71
Revisions	<u>8.71</u>
Revised PPS Rate	<u>\$119.42</u>

In addition, your PPS rate will be increased to: \$121.57, effective October 1, 2008; \$123.52, effective October 1, 2009; \$125.00, effective October 1, 2010; \$125.50, effective October 1, 2011; \$126.25, effective October 1, 2012; to reflect the MEI increases of 1.8%, 1.6%, 1.2%, 0.4%, and 0.6% respectively.

This Revised Audit Report includes the:

1. Computation of Medi-Cal PPS Rate (Schedule 1) and supporting schedules
2. Audit Revisions

Ms. Elizabeth C. Saviano, Esq.
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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 have further questions regarding this report, please the Audits Section-Richmond at (510) 620-3100.

Sincerely,

Original Signed by

Louise Wong, Chief, Chief
Audit Section-Richmond
Financial Audits Branch

Certified

cc: Evie Correa, Chief
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Chief Executive Officer
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195 Aviation Way, Suite 200
Watsonville, CA 94610

DETERMINATION OF FEDERALLY QUALIFIED HEALTH CENTER RATE

Provider Name: CLINICA DEL VALLE DEL PAJARO
 Provider NPI: 1629269618
 Fiscal Period Ended: JUNE 30, 2008

PART A - DETERMINATION OF OVERHEAD APPLICABLE TO FQHC SERVICES	AUDITED	REVISED
1. Cost of FQHC Services Excluding Overhead (Sch 2, L 29)	\$ 362,429	\$ 418,821
2. Nonreimbursable FQHC Costs Excluding Overhead (Sch 2, L 57)	16,925	16,925
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 379,354	\$ 435,746
4. Percentage of Nonreimbursable FQHC Costs (L A2 / L A3)	0.044615	0.038841
5. Total Overhead (Sch 2, L 53)	\$ 401,784	\$ 401,784
6. Overhead Applicable to Nonreimbursable FQHC Costs (L A4 * L A5)	17,926	15,606
7. Overhead Applicable to FQHC Services (L A5 - L A6)	383,858	386,178
8. Total Cost of FQHC Services (L A1 + L A7)	\$ 746,287	\$ 804,999
PART B - DETERMINATION OF FQHC RATE		
1. Total FQHC Costs (L A8)	\$ 746,287	\$ 804,999
2. Total FQHC Visits	6,741	6,741
3. Total FQHC Nonreimbursable Services Visits	0	0
4. Total FQHC Adjusted Visits (L B2 - L B3)	6,741	6,741
5. FQHC Rate Per Visit (L B1 / L B4)	\$ 110.71	\$ 119.42

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

CLINICA DEL VALLE DEL PAJARO

1629269618

JUNE 30, 2008

Cost Center

	AUDITED	REVISIONS (From Sch 2A)	REVISED
FQHC Health Care Cost			
1. Physician	\$104,040	\$56,392	\$160,432
2. Physician Assistant	39,431	0	39,431
3. Nurse Practitioner	0	0	0
4. Other Nurse	0	0	0
5. Laboratory Technician	0	0	0
6. Education and Outreach	0	0	0
7. Case Management	0	0	0
8. Other Medical	0	0	0
9. Medical Records	0	0	0
10. Support Staff	131,603	0	131,603
11. Mental Health	0	0	0
12. Other (Employee Benefits)	47,880	0	47,880
13. Subtotal - FQHC Health Care Costs	\$322,954	\$56,392	\$379,346
14. Physician Services Under Agreement	\$0	\$0	\$0
15. Physician Supervision	0	0	0
16. Medical Consultants	7,580	0	7,580
17. Other Health Care Costs			
18. Pharmacy	390	0	390
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	23,460	0	23,460
22. Depreciation - Medical Equipment	0	0	0
23. Professional Liability Insurance	2,265	0	2,265
24. Home Office Direct Costs	5,780	0	5,780
25. Laboratory	0	0	0
26. Radiology	0	0	0
27. Minor Medical Equipment & Rentals / CME	0	0	0
28. Subtotal - Other Health Care Costs	\$31,895	\$0	\$31,895
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16 and 28)	\$362,429	\$56,392	\$418,821
FQHC Overhead - Facility Cost			
30. Rent	\$115,640	\$0	\$115,640
31. Insurance	1,390	0	1,390
32. Interest Expense	0	0	0
33. Utilities	13,162	0	13,162
34. Depreciation - Building	28,720	0	28,720
35. Depreciation - Equipment	0	0	0
36. Housekeeping and Maintenance	10,706	0	10,706
37. Property Tax	0	0	0
38. Minor Equipment	3,275	0	3,275
39. Home Office Pool Costs	48,101	0	48,101
40.	0	0	0
41. Subtotal - Facility Costs (Lines 30-40)	\$220,994	\$0	\$220,994
FQHC Overhead - Administrative Cost			
42. Office Salaries	\$0	\$0	\$0
43. Depreciation - Office Equipment	0	0	0
44. Office Supplies	2,843	0	2,843
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance (Specify)	0	0	0
48. Telephone	8,769	0	8,769
49. Fringe Benefits And Payroll Taxes	0	0	0
50. Home Office Pool Costs	154,266	0	154,266
51. Other (Miscellaneous)	14,912	0	14,912
52. Subtotal - Administrative Costs (Lines 42-51)	\$180,790	\$0	\$180,790
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$401,784	\$0	\$401,784
54. Nonreimbursable Costs (Specify)			
55. Outreach and Social Worker	16,925	0	16,925
56.	0	0	0
57. Subtotal Nonreimbursable Costs	\$16,925	\$0	\$16,925
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$781,138	\$56,392	\$837,530

REVISIONS TO AUDITED COSTS

Provider Name:

Provider NPI:

Fiscal Period Ended:

CLINICA DEL VALLE DEL PAJARO

1629269618

JUNE 30, 2008

Cost Center	Total REVISIONS	Revision (No. 1)	Revision	Revision	Revision	Revision	Revision
FQHC Health Care Cost							
1. Physician	56,392	56,392					
2. Physician Assistant	0						
3. Nurse Practitioner	0						
4. Other Nurse	0						
5. Laboratory Technician	0						
6. Education and Outreach	0						
7. Case Management	0						
8. Other Medical	0						
9. Medical Records	0						
10. Support Staff	0						
11. Mental Health	0						
12. Other (Employee Benefits)	0						
13. Subtotal - FQHC Health Care Costs	56,392	56,392	0	0	0	0	0
14. Physician Services Under Agreement	0						
15. Physician Supervision	0						
16. Medical Consultants	0						
17. Other Health Care Costs							
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 Direct Costs	0						
25. Laboratory	0						
26. Radiology	0						
27. Minor Medical Equipment & Rentals / CME	0						
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)	56,392	56,392	0	0	0	0	0
FQHC Overhead - Facility Cost							
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 Pool Costs	0						
40.	0						
41. Subtotal - Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
FQHC Overhead - Administrative Cost							
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 Pool Costs	0						
51. Other (Miscellaneous)	0						
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)	0						
55. Outreach and Social Worker	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)	56,392	56,392	0	0	0	0	0

REVISIONS TO AUDITED COSTS

Provider Name:

Provider NPI:

Fiscal Period Ended:

CLINICA DEL VALLE DEL PAJARO

1629269618

JUNE 30, 2008

Cost Center	Revision						
FQHC Health Care Cost							
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 (Employee Benefits)							
13. Subtotal - FQHC Health Care Costs	0	0	0	0	0	0	0
14. Physician Services Under Agreement							
15. Physician Supervision							
16. Medical Consultants							
17. Other Health Care Costs							
18. Pharmacy							
19. Dental							
20. Optometry							
21. Medical Supplies							
22. Depreciation - Medical Equipment							
23. Professional Liability Insurance							
24. Home Office Direct Costs							
25. Laboratory							
26. Radiology							
27. Minor Medical Equipment & Rentals / CME							
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
FQHC Overhead - Facility Cost							
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 Pool Costs							
40.							
41. Subtotal - Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
FQHC Overhead - Administrative Cost							
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							
51. Other (Miscellaneous)							
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. Outreach and Social Worker							
56.							
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 Name			Fiscal Period			Provider NPI		Revision
CLINICA DEL VALLE DEL PAJARO			JULY 1, 2007 THROUGH JUNE 30, 2008			1629269618		1
Report References					Explanation of Audit Revisions	As Audited	Increase (Decrease)	As Revised
Rev. No.	Audit Report		Revised Report					
	Schedule	Line	Worksheet	Line				
<u>REVISION TO AUDITED COSTS</u>								
1	2	1	1	1	Physician To revise utilization review income offset in accordance with the Report of Findings dated October 4, 2012, from the Informal Appeal, Case No. FQ13-0608-038B-PW, Issue No. 1.	\$104,040	\$56,392	\$160,432