

**REPORT  
ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
RATE SETTING COST REPORT REVIEW  
THE EFFORT, INC.  
FQHC PROVIDER NUMBER (NPI): 1124112933**

**FISCAL PERIOD ENDED  
JUNE 30, 2009**

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

**Section Chief: Evie Correa  
Audit Supervisor: Alan J. Eng  
Auditor: Billy Abishu**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

December 2, 2011

Donna Friesen, CFO  
The Effort, Inc  
1820 J Street  
Sacramento, CA 95811

PROVIDER LEGAL NAME: THE EFFORT, INC.  
FQHC PROVIDER NO. (NPI): 1124112933  
FISCAL PERIOD ENDED JUNE 30, 2009

We have examined the Clinic's Federally Qualified Health Center (FQHC) Medi-Cal rate setting cost report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code. It was limited to a review of the rate setting cost report, accompanying financial statements, Medi-Cal Paid Claims Summary Report, prior fiscal period's Medi-Cal program audit report, and Medicare audit report for the current fiscal period, if applicable and available.

The prospective payment system (PPS) rate(s) 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>
\$ 116.93	June 16, 2008

In addition, your rate will be increased to \$118.80, effective October 1, 2009, \$120.23, effective October 1, 2010, \$120.71, effective October 1, 2011, to reflect the MEI increases of 1.6%, 1.2% and 0.4% respectively.

This Audit Report includes the:

1. Home Office Audit Report, Schedule 6, Audited Summary of Direct and Allocated Pool Cost to Clinics
2. Computation of Medi-Cal Prospective Payment System Rate (Schedule 1) and supporting schedules
3. Audit Adjustments

Donna Friesen  
Page 2

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. Excerpts of the statute and regulations are included for your information.

If you have further questions regarding this report you may call the Audit Review and Analysis Section at (916) 650-6696.

Sincerely,

**Original Signed By**

Evie Correa, Chief  
Audit Review and Analysis Section  
Financial Audits Branch

Enclosures  
Certified

<b>Home Office Name</b> THE EFFORT, INC	<b>Fiscal Period</b> From: JULY 1, 2008 To: JUNE 30, 2009
--	--

**AUDITED SUMMARY OF DIRECT AND ALLOCATED POOL COST TO CLINICS SCHEDULE 6**

(1) Home Office Expenses	CLINICS						(2) Total
	The Effort J Street Clinic	B	C	D	E	F	
1 Health Care	0	0	0	0	0	0	0
2 Facility	0	0	0	0	0	0	0
3 Administrative	0	0	0	0	0	0	0
4 Subtotal (sum of lines 1-3) (d)	0	0	0	0	0	0	0
5 Nonreimbursable	0	0	0	0	0	0	0
<b>Home Office Allocated Pool Costs (b)</b>							
6 Health Care	5,223	1,538	827	1,737	0	0	9,325
7 Facility	22,147	17,246	11,622	18,570	3,394	0	72,980
8 Administrative	242,568	72,841	50,375	98,379	19,454	0	483,617
9 Subtotal (sum of lines 6-8) (e)	269,938	91,625	62,824	118,687	22,848	0	565,922
10 Nonreimbursable	0	8,607	5,952	11,625	2,299	0	28,483
11 Total Reimbursable Expenses (sum of lines 4 and 9)	269,938	91,625	62,824	118,687	22,848	0	565,922
12 Total Nonreimbursable expenses (sum of lines 5 and 10)	0	8,607	5,952	11,625	2,299	0	28,483
13 Grand Total (sum of lines 11 and 12)	269,938	100,232	68,776	130,311	25,147	0	594,405

## COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE

**Provider Legal Name:** **Provider No. (NPI)** **Fiscal Period Ended:**  
**THE EFFORT, INC.** **1124112933** **JUNE 30, 2009**

PART A - DETERMINATION OF OVERHEAD APPLICABLE TO FQHC SERVICES	REPORTED	AUDITED
1. Cost of FQHC Services Excluding Overhead (Sch 2, L 29)	\$ 1,312,108	\$ 1,172,994
2. Nonreimbursable FQHC Costs Excluding Overhead (Sch 2, L 57)	2,787,803	1,516,999
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 4,099,911	\$ 2,689,993
4. Percentage of Nonreimbursable FQHC Costs (L A2 / L A3)	0.679967	0.563942
5. Total Overhead (Sch 2, L 53)	\$ 3,367,873	\$ 1,197,179
6. Overhead Applicable to Nonreimbursable FQHC Costs (L A4 * L A5)	2,290,042	675,139
7. Overhead Applicable to FQHC Services (L A5 - L A6)	1,077,831	522,040
8. Total Cost of FQHC Services (L A1 + L A7)	\$ 2,389,939	\$ 1,695,034
PART B - DETERMINATION OF FQHC RATE		
1. Total FQHC Costs (L A8)	\$ 2,389,939	\$ 1,695,034
2. Total FQHC Visits (Adj No 11 )	13,726	14,496
3. Total FQHC Nonreimbursable Services Visits (Adj No )	0	0
4. Total FQHC Adjusted Visits (L B2 - L B3)	13,726	14,496
5. FQHC PPS Rate Per Visit (L B1 / L B4)	\$ 174.12	\$ 116.93

## SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

THE EFFORT, INC.

1124112933

JUNE 30, 2009

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC Health Care Cost</b>			
1. Physician	\$128,600	\$14,299	\$142,899
2. Physician Assistant	115,267	0	115,267
3. Nurse Practitioner	123,394	0	123,394
4. Other Nurse	54,759	0	54,759
5. Laboratory Technician	0	0	0
6. Other (Specify)	0	0	0
7. Case Management	100,637	(100,637)	0
8. Other Medical	266,309	0	266,309
9. Psychiatrist	0	160,047	160,047
10. LCSW	0	44,068	44,068
11. Mental Health	204,115	(204,115)	0
12. Other (Fringe Benefits and Payroll Taxes)	215,690	(34,718)	180,972
13. Subtotal-FQHC Health Care Costs	\$1,208,771	(\$121,056)	\$1,087,715
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	\$0	\$0	\$0
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	58,850	(13)	58,837
22. Depreciation-Medical Equipment	0	0	0
23. Professional Liability Insurance	16,838	(12,282)	4,556
24. Home Office Direct Cost (from home ofc. cost report-sch 6)	0	5,223	5,223
25. Other (Specify)	0	0	0
26.	0	0	0
27. Minor Medical Equipment	27,649	(10,986)	16,663
28. Subtotal-Other Health Care Costs	\$103,337	(\$18,058)	\$85,279
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$1,312,108	(\$139,114)	\$1,172,994
<b>FQHC Overhead-Facility Cost</b>			
30. Rent	\$340,481	(\$325,244)	\$15,237
31. Insurance	0	1,635	1,635
32. Interest Expense	3,085	(3,085)	0
33. Utilities	79,681	(63,978)	15,703
34. Depreciation-Building	111,598	(99,037)	12,561
35. Depreciation-Equipment	95,726	(26,939)	68,787
36. Housekeeping And Maintenance	180,851	(158,927)	21,924
37. Property Tax	4,890	(3,173)	1,717
38. Minor Equipment	9,856	(9,856)	0
39. Home Office Pool Costs	0	22,147	22,147
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$826,168	(\$666,457)	\$159,711
<b>FQHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$1,621,069	(\$1,117,057)	\$504,012
43. Depreciation-Office Equipment	4,808	(4,808)	0
44. Office Supplies	124,714	(102,996)	21,718
45. Legal	6,832	(6,832)	0
46. Accounting	37,901	(23,452)	14,449
47. Insurance (General Business)	36,925	(36,925)	0
48. Telephone	96,597	(75,120)	21,477
49. Fringe Benefits And Payroll Taxes	355,464	(192,594)	162,870
50. Home Office Pool Costs (from home ofc. cost report-sch 6)	0	242,568	242,568
51. Other (Professional Consultants)	257,395	(187,021)	70,374
52. Subtotal-Administrative Costs (Lines 42-51)	\$2,541,705	(\$1,504,237)	\$1,037,468
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$3,367,873	(\$2,170,694)	\$1,197,179
54. Nonreimbursable Costs (Outreach/Fundraising)	\$89,504	\$7,203	\$96,707
55. Non FQHC Expenses	2,346,100	(925,808)	1,420,292
56. Nonreimbursable Costs -Patient Services	352,199	(352,199)	0
57. Subtotal Nonreimbursable Costs	\$2,787,803	(\$1,270,804)	\$1,516,999
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$7,467,784	(\$3,580,612)	\$3,887,172

ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

THE EFFORT, INC.

1124112933

JUNE 30, 2009

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	14,299			14,299			
2. Physician Assistant	0						
3. Nurse Practitioner	0						
4. Other Nurse	0						
5. Laboratory Technician	0						
6. Other (Specify)	0						
7. Case Management	(100,637)			(100,637)			
8. Other Medical	0						
9. Psychiatrist	160,047			160,047			
10. LCSW	44,068			44,068			
11. Mental Health	(204,115)			(204,115)			
12. Other (Fringe Benefits and Payroll Taxes)	(34,718)			(34,718)			
13. Subtotal-FQHC Health Care Costs	(121,056)						
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	(13)	(16,665)		46,463		(29,811)	
22. Depreciation-Medical Equipment	0						
23. Professional Liability Insurance	(12,282)	(318)		(11,964)			
24. Home Office Direct Cost (from home ofc. cost report	5,223			5,223			
25. Other (Specify)	0						
26.	0						
27. Minor Medical Equipment	(10,986)	(17,306)		6,549	(229)		
28. Subtotal-Other Health Care Costs	(18,058)	(34,289)	0	46,271	(229)	(29,811)	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(139,114)	(34,289)	0	46,271	(229)	(29,811)	0
<b>FQHC Overhead-Facility Cost</b>							
30. Rent	(325,244)	(33,592)		(263,899)	(2,959)		(24,794)
31. Insurance	1,635	(159)		1,794			
32. Interest Expense	(3,085)			(560)			
33. Utilities	(63,978)	(11,365)		(52,395)	(218)		
34. Depreciation-Building	(99,037)	(35,256)		(63,781)			
35. Depreciation-Equipment	(26,939)	(1,210)		(26,395)			
36. Housekeeping And Maintenance	(158,927)	(17,755)		(140,553)	(619)		
37. Property Tax	(3,173)	(1,740)		(1,433)			
38. Minor Equipment	(9,856)			(9,856)			
39. Home Office Pool Costs	22,147			25,541			
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	(666,457)	(101,077)	0	(531,537)	(3,796)	0	(24,794)
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries	(1,117,057)	(281,976)	(1,199)	(805,026)	(8,506)		
43. Depreciation-Office Equipment	(4,808)			(4,808)			
44. Office Supplies	(102,996)	(10,167)		(91,852)	(977)		
45. Legal	(6,832)			(6,832)			
46. Accounting	(23,452)	(7,225)		(16,024)	(203)		
47. Insurance (General Business)	(36,925)			(36,925)			
48. Telephone	(75,120)	(11,658)		(62,883)	(579)		
49. Fringe Benefits And Payroll Taxes	(192,594)			(192,594)			
50. Home Office Pool Costs (from home ofc. cost report	242,568			262,022			
51. Other (Professional Consultants)	(187,021)	(123,274)		(63,700)	(47)		
52. Subtotal-Administrative Costs (Lines 42-51)	(1,504,237)	(434,300)	(1,199)	(1,018,622)	(10,312)	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(2,170,694)	(535,377)	(1,199)	(1,550,159)	(14,108)	0	(24,794)
54. Nonreimbursable Costs (Outreach/Fundraising)	7,203			7,203			
55. Non FQHC Expenses	(925,808)	569,666	1,199	(1,496,673)			
56. Nonreimbursable Costs -Patient Services	(352,199)			(321,238)			
57. Subtotal Nonreimbursable Costs	(1,270,804)	569,666	1,199	(1,810,708)	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(3,580,612)	0	0	(3,314,596)	(14,337)	(29,811)	(24,794)

ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name:

Provider No.

Fiscal Period Ended:

THE EFFORT, INC.

1124112933

JUNE 30, 2009

Cost Center	Adjustment (No. 7)	Adjustment (No. 8)	Adjustment (No. 9)	Adjustment (No. 10)	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. Case Management							
8. Other Medical							
9. Psychiatrist							
10. LCSW							
11. Mental Health							
12. Other (Fringe Benefits and Payroll Taxes)							
13. Subtotal-FQHC Health Care Costs		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.							
26. Minor Medical Equipment							
27. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
28. 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	(2,525)						
33. Utilities							
34. Depreciation-Building							
35. Depreciation-Equipment		666					
36. Housekeeping And Maintenance							
37. Property Tax							
38. Minor Equipment							
39. Home Office Pool Costs				(3,394)			
40.							
41. Subtotal-Facility Costs (Lines 30-40)	(2,525)	666	0	(3,394)	0	0	0
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries			(20,350)				
43. Depreciation-Office Equipment							
44. Office Supplies							
45. Legal							
46. Accounting							
47. Insurance (General Business)							
48. Telephone							
49. Fringe Benefits And Payroll Taxes							
50. Home Office Pool Costs (from home ofc. cost report)				(19,454)			
51. Other (Professional Consultants)							
52. Subtotal-Administrative Costs (Lines 42-51)	0	0	(20,350)	(19,454)	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(2,525)	666	(20,350)	(22,848)	0	0	0
54. Nonreimbursable Costs (Outreach/Fundraising)							
55. Non FQHC Expenses							
56. Nonreimbursable Costs -Patient Services				(30,961)			
57. Subtotal Nonreimbursable Costs	0	0	0	(30,961)	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(2,525)	666	(20,350)	(53,809)	0	0	0

Provider Name			Fiscal Period			Provider Number		Adjustments
THE EFFORT, INC			JULY 1, 2008 THROUGH JUNE 30, 2009			1124112933		11
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Worksheet	Line				
<b><u>RECLASSIFICATIONS TO REPORTED COSTS</u></b>								
1	2A	21	1	21	Medical Supplies	\$58,850	(\$16,665)	\$42,185 *
	2A	23	1	23	Professional Liability Insurance	16,838	(318)	16,520 *
	2A	27	1	27	Minor Medical Equip. & Rental / CME	27,649	(17,306)	10,343 *
	2A	30	1	30	Rent	340,481	(33,592)	306,889 *
	2A	31	1	31	Insurance	0	(159)	(159) *
	2A	33	1	33	Utilities	79,681	(11,365)	68,316 *
	2A	34	1	34	Deprecation - Building	111,598	(35,256)	76,342 *
	2A	35	1	35	Deprecation - Equipment	95,726	(1,210)	94,516 *
	2A	36	1	36	Housekeeping & Maintenance	180,851	(17,755)	163,096 *
	2A	37	1	37	Property Tax	4,890	(1,740)	3,150 *
	2A	42	1	42	Office Salaries	1,621,069	(281,976)	1,339,093 *
	2A	44	1	44	Office Supplies	124,714	(10,167)	114,547 *
	2A	46	1	46	Accounting	37,901	(7,225)	30,676 *
	2A	48	1	48	Telephone	96,597	(11,658)	84,939 *
	2A	51	1	51	Other(Professional Consultants)	257,395	(123,274)	134,121 *
	2A	55	1	55	Non FQHC Expenses	2,346,100	569,666	2,915,766 *
					To reclassify NonFQHC expenses to a nonreimbursable cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2328			
2	2A	42	1	42	Office Salaries	* \$1,339,093	(\$1,199)	\$1,337,894 *
	2A	55	1	55	Non FQHC Expenses	* 2,915,766	1,199	2,916,965 *
					To reclassify Office Salaries to nonreimbursable cost center to agree with the provider's wage schedules. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

Provider Name					Fiscal Period		Provider Number		Adjustments
THE EFFORT, INC					JULY 1, 2008 THROUGH JUNE 30, 2009		1124112933		11
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 COSTS</u></b>									
3	2A	1	1	1	Physician	\$128,600	\$14,299	\$142,899	
	2A	7	1	7	Case Management	100,637	(100,637)	0	
	2A	9	1	9	Psychiatrist	0	160,047	160,047	
	2A	10	1	10	LCSW	0	44,068	44,068	
	2A	11	1	11	Mental Health	204,115	(204,115)	0	
	2A	12	1	12	Other (Fringe Benefits & Payroll Taxes Healthcare Dept)	215,690	(34,718)	180,972	
	2A	21	1	21	Medical Supplies	* 42,185	46,463	88,648 *	
	2A	23	1	23	Professional Liability Insurance	* 16,520	(11,964)	4,556	
	2A	24	1	24	Home Office Direct Cost	0	5,223	5,223	
	2A	27	1	27	Minor Medical Equip. & Rental / CME	* 10,343	6,549	16,892 *	
	2A	30	1	30	Rent	* 306,889	(263,899)	42,990 *	
	2A	31	1	31	Insurance	* (159)	1,794	1,635 *	
	2A	32	1	32	Interest Expense	3,085	(560)	2,525 *	
	2A	33	1	33	Utilities	* 68,316	(52,395)	15,921 *	
	2A	34	1	34	Deprecation - Building	* 76,342	(63,781)	12,561 *	
	2A	35	1	35	Deprecation - Equipment	* 94,516	(26,395)	68,121 *	
	2A	36	1	36	Housekeeping & Maintenance	* 163,096	(140,553)	22,543 *	
	2A	37	1	37	Property Tax	* 3,150	(1,433)	1,717 *	
	2A	38	1	38	Minor Equipment	9,856	(9,856)	0	
	2A	39	1	39	Home Office Pool Costs	0	25,541	25,541 *	
	2A	42	1	42	Office Salaries	* 1,337,894	(805,026)	532,868 *	
	2A	43	1	43	Deprication-Office Equipment	4,808	(4,808)	0	
	2A	44	1	44	Office Supplies	* 114,547	(91,852)	22,695 *	
	2A	45	1	45	Legal	6,832	(6,832)	0	
	2A	46	1	46	Accounting	* 30,676	(16,024)	14,652 *	
	2A	47	1	47	Insurance (General Business)	36,925	(36,925)	0	
	2A	48	1	48	Telephone	* 84,939	(62,883)	22,056 *	
	2A	49	1	49	Fringe Benefits and Payroll Taxes	355,464	(192,594)	162,870	
	2A	50	1	50	Home Office Pool Costs	0	262,022	262,022 *	
	2A	51	1	51	Other(Professional Consultants)	* 134,121	(63,700)	70,421 *	

-Continued on next page-

Provider Name				Fiscal Period		Provider Number		Adjustments
THE EFFORT, INC				JULY 1, 2008 THROUGH JUNE 30, 2009		1124112933		11
Report References								
Adj. No.	Audit Report		Cost Report		Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
	Schedule	Line	Worksheet	Line				
<b>ADJUSTMENTS TO REPORTED COSTS</b>								
-Continued from previous page-								
	2A	54	1	54	Nonreimbursable Costs Outreach/Fundraising	89,504	\$7,203	96,707
	2A	55	1	55	Non FQHC Expenses	* 2,916,965	(1,496,673)	1,420,292
	2A	56	1	56	Nonreimbursable Costs-Patient Services	352,199	(\$321,238)	30,961 *
To adjust the reported expenses with the re-submitted cost report expense to reflect the cost of The Effort, Inc. at J-street. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
4	2A	27	1	27	Minor Medical Equip. & Rental / CME	* \$16,892	(\$229)	\$16,663
	2A	30	1	30	Rent	* 42,990	(2,959)	40,031 *
	2A	33	1	33	Utilities	* 15,921	(218)	15,703
	2A	36	1	36	Housekeeping & Maintenance	* 22,543	(619)	21,924
	2A	42	1	42	Office Salaries	* 532,868	(8,506)	524,362 *
	2A	44	1	44	Office Supplies	* 22,695	(977)	21,718
	2A	46	1	46	Accounting	* 14,652	(203)	14,449
	2A	48	1	48	Telephone	* 22,056	(579)	21,477
	2A	51	1	51	Other(Professional Consultants)	* 70,421	(47)	70,374
To eliminate costs which are not qualified as FQHC cost. 42 CFR 413.20 and 413.24 CMS Pub 100-02, 30.1 W&I H&S Code 1206 h.								
5	2A	21	1	21	Medical Supplies	* \$88,648	(\$29,811)	\$58,837
To eliminate the laboratory service performed outside the facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
6	2A	30	1	30	Rent	* \$40,031	(\$24,794)	\$15,237
To eliminate related party lease expenses. 42 CFR 413.17, 413.20, and 413.24 CMS Pub. 15-1, Sections 1011.5, 2300, and 2304								

Provider Name				Fiscal Period		Provider Number		Adjustments	
THE EFFORT, INC				JULY 1, 2008 THROUGH JUNE 30, 2009		1124112933		11	
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 COSTS</u></b>									
7	2A	32	1	32	Interest Expense To abate interest income against interest expense. 42 CFR 413.153(b)(2)(iii) / CMS Pub. 15-1, Section 202.2 CMS Pub. 15-2, Section 3613	*	\$2,525	(\$2,525)	\$0
8	2A	35	1	35	Deprecation - Equipment To adjust depreciation expense to the straight line basis. 42 CFR 413.20, 413.24, 413.50, and 413.134 CMS Pub. 15-1, Sections 102, 116, 120, 2300, 2302.4, and 2304	*	\$68,121	\$666	\$68,787
9	2A	42	1	42	Office Salaries To adjust salaries to agree with the quarterly wage report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$524,362	(\$20,350)	\$504,012
10	2A	39	1	39	Home Office Pool Costs	*	\$25,541	(\$3,394)	\$22,147
	2A	50	1	50	Home Office Pool Costs	*	262,022	(19,454)	242,568
	2A	56	1	56	Nonreimbursable Costs-Patient Services To adjust reported home office costs to agree with The Effort, Inc. Home Office Audit Report for fiscal period ended June 30, 2009 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304	*	30,961	(30,961)	0

Provider Name					Fiscal Period		Provider Number		Adjustments
THE EFFORT, INC					JULY 1, 2008 THROUGH JUNE 30, 2009		1124112933		11
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 VISITS</u>									
11	1	2	2	2	Total FQHC Visit To adjust total FQHC visits to agree with Productivity Standards. 42 CFR 405. 2468 CMS Pub. 27, Sections 503	13,726	770	14,496	