

**REVISED 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: Alan J. Eng
Audit Supervisor: Alan J. Eng
Auditor: Billy Abishu**



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



EDMUND G. BROWN JR.
GOVERNOR

March 28, 2013

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

PROVIDER LEGAL NAME: THE EFFORT, INC.
FQHC PROVIDER NUMBER. (NPI): 1124112933
FISCAL PERIOD ENDED JUNE 30, 2009

Enclosed is the final settlement in accordance with the report of findings prepared by the Office of Administrative hearings and Appeals dated February 26, 2013. The settlement in the above matter has been revised as follows:

The prospective payment system (PPS) rates as presented in Schedule 1 represent 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>
\$127.54	June 16, 2008

In addition, your rate will be increased to \$129.58, effective October 1, 2009, \$131.14, effective October 1, 2010, \$131.66, effective October 1, 2011, \$132.45 effective October 1, 2012 to reflect the MEI increases of 1.6%, 1.2%, 0.4% and 0.6% respectively.

This determination includes:

1. Computation of Revised PPS Rate (Schedule 1) and supporting schedules
2. Revision Adjustments

Donna Friesen, CFO
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A copy of the revised PPS rates is being sent to the fiscal intermediary. 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

Alan Eng, Chief
Special Programs Section
Financial Audits Branch

Enclosures
Certified

Home Office Name THE EFFORT, INC	Fiscal Period From: JULY 1, 2008 To: JUNE 30, 2009
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AS APPEALED 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
Home Office Allocated Pool Costs (b)							
6 Health Care	5,223	1,538	827	1,737	0	0	9,325
7 Facility	25,113	17,246	11,622	18,570	3,394	0	75,946
8 Administrative	242,568	72,841	50,375	98,379	19,454	0	483,617
9 Subtotal (sum of lines 6-8) (e)	272,904	91,625	62,824	118,687	22,848	0	568,888
10 Nonreimbursable	0	8,607	5,952	11,625	2,299	0	28,483
11 Total Reimbursable Expenses (sum of lines 4 and 9)	272,904	91,625	62,824	118,687	22,848	0	568,888
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)	272,904	100,232	68,776	130,311	25,147	0	597,371

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

	AUDITED	REVISED
1. Cost of FQHC Services Excluding Overhead (Sch 2, L 29)	\$ 1,172,994	\$ 1,172,994
2. Nonreimbursable FQHC Costs Excluding Overhead (Sch 2, L 57)	1,516,999	1,246,292
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 2,689,993	\$ 2,419,286
4. Percentage of Nonreimbursable FQHC Costs (L A2 / L A3)	0.563942	0.515149
5. Total Overhead (Sch 2, L 53)	\$ 1,197,179	\$ 1,393,911
6. Overhead Applicable to Nonreimbursable FQHC Costs (L A4 * L A5)	675,139	718,071
7. Overhead Applicable to FQHC Services (L A5 - L A6)	522,040	675,840
8. Total Cost of FQHC Services (L A1 + L A7)	\$ 1,695,034	\$ 1,848,834

PART B - DETERMINATION OF FQHC RATE

1. Total FQHC Costs (L A8)	\$ 1,695,034	\$ 1,848,834
2. Total FQHC Visits	14,496	14,496
3. Total FQHC Nonreimbursable Services Visits	0	0
4. Total FQHC Adjusted Visits (L B2 - L B3)	14,496	14,496
5. FQHC PPS Rate Per Visit (L B1 / L B4)	\$ 116.93	\$ 127.54

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

THE EFFORT, INC.

1124112933

JUNE 30, 2009

Cost Center	AUDITED	REVISIONS (From Sch 2A)	REVISED
FQHC Health Care Cost			
1. Physician	\$142,899	\$0	\$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	0	0	0
8. Other Medical	266,309	0	266,309
9. Psychiatrist	160,047	0	160,047
10. LCSW	44,068	0	44,068
11. Mental Health	0	0	0
12. Other (Fringe Benefits and Payroll Taxes)	180,972	0	180,972
13. Subtotal-FQHC Health Care Costs	\$1,087,715	\$0	\$1,087,715
14. Physician Services Under Agreement	\$0	\$0	\$0
15. Physician Supervision	0	0	0
16.	0	0	0
17. Other Health Care Costs			
18. Pharmacy	\$0	\$0	\$0
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	58,837	0	58,837
22. Depreciation-Medical Equipment	0	0	0
23. Professional Liability Insurance	4,556	0	4,556
24. Home Office Direct Cost (from home ofc. cost report-sch 6)	5,223	0	5,223
25. Other (Specify)	0	0	0
26.	0	0	0
27. Minor Medical Equipment	16,663	0	16,663
28. Subtotal-Other Health Care Costs	\$85,279	\$0	\$85,279
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$1,172,994	\$0	\$1,172,994
FQHC Overhead-Facility Cost			
30. Rent	\$15,237	\$24,794	\$40,031
31. Insurance	1,635	0	1,635
32. Interest Expense	0	0	0
33. Utilities	15,703	0	15,703
34. Depreciation-Building	12,561	0	12,561
35. Depreciation-Equipment	68,787	0	68,787
36. Housekeeping And Maintenance	21,924	0	21,924
37. Property Tax	1,717	0	1,717
38. Minor Equipment	0	0	0
39. Home Office Pool Costs	22,147	2,966	25,113
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$159,711	\$27,760	\$187,471
FQHC Overhead-Administrative Cost			
42. Office Salaries	\$504,012	\$17,338	\$521,350
43. Depreciation-Office Equipment	0	0	0
44. Office Supplies	21,718	0	21,718
45. Legal	0	0	0
46. Accounting	14,449	0	14,449
47. Insurance (General Business)	0	0	0
48. Telephone	21,477	0	21,477
49. Fringe Benefits And Payroll Taxes	162,870	0	162,870
50. Home Office Pool Costs (from home ofc. cost report-sch 6)	242,568	0	242,568
51. Other (Professional Consultants)	70,374	151,634	222,008
52. Subtotal-Administrative Costs (Lines 42-51)	\$1,037,468	\$168,972	\$1,206,440
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$1,197,179	\$196,732	\$1,393,911
54. Nonreimbursable Costs (Outreach/Fundraising)	\$96,707	\$0	\$96,707
55. Non FQHC Expenses	1,420,292	(270,707)	1,149,585
56. Nonreimbursable Costs -Patient Services	0	0	0
57. Subtotal Nonreimbursable Costs	\$1,516,999	(\$270,707)	\$1,246,292
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$3,887,172	(\$73,975)	\$3,813,197

REVISIONS TO AUDITED COSTS

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

THE EFFORT, INC.

1124112933

JUNE 30, 2009

Cost Center	Total	Revision (No. 1)	Revision (No. 2)	Revision (No. 3)	Revision (No. 4)	Revision (No.)	Revision (No.)
FQHC Health Care Cost							
1. Physician	0						
2. Physician Assistant	0						
3. Nurse Practitioner	0						
4. Other Nurse	0						
5. Laboratory Technician	0						
6. Other (Specify)	0						
7. Case Management	0						
8. Other Medical	0						
9. Psychiatrist	0						
10. LCSW	0						
11. Mental Health	0						
12. Other (Fringe Benefits and Payroll Taxes)	0						
13. Subtotal-FQHC Health Care Costs	0						
14. Physician Services Under Agreement	0						
15. Physician Supervision	0						
16.	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 Cost (from home ofc. cost report)	0						
25. Other (Specify)	0						
26.	0						
27. Minor Medical Equipment	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)	0	0	0	0	0	0	0
FQHC Overhead-Facility Cost							
30. Rent	24,794		24,794				
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	2,966				2,966		
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	27,760	0	24,794	0	2,966	0	0
FQHC Overhead-Administrative Cost							
42. Office Salaries	17,338			17,338			
43. Depreciation-Office Equipment	0						
44. Office Supplies	0						
45. Legal	0						
46. Accounting	0						
47. Insurance (General Business)	0						
48. Telephone	0						
49. Fringe Benefits And Payroll Taxes	0						
50. Home Office Pool Costs (from home ofc. cost report)	0						
51. Other (Professional Consultants)	151,634	151,634					
52. Subtotal-Administrative Costs (Lines 42-51)	168,972	151,634	0	17,338	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	196,732	151,634	24,794	17,338	2,966	0	0
54. Nonreimbursable Costs (Outreach/Fundraising)	0						
55. Non FQHC Expenses	(270,707)	(270,707)					
56. Nonreimbursable Costs -Patient Services	0						
57. Subtotal Nonreimbursable Costs	(270,707)	(270,707)	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(73,975)	(119,073)	24,794	17,338	2,966	0	0

REVISIONS TO AUDITED COSTS

Provider Legal Name:

Provider No.

Fiscal Period Ended:

THE EFFORT, INC.

1124112933

JUNE 30, 2009

Cost Center	Revision (No.)						
FQHC Health Care Cost							
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.							
Other Health Care Costs							
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
28. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)		0	0	0	0	0	0
FQHC Overhead-Facility Cost							
29. Rent							
30. Insurance							
31. Interest Expense							
32. Utilities							
33. Depreciation-Building							
34. Depreciation-Equipment							
35. Housekeeping And Maintenance							
36. Property Tax							
37. Minor Equipment							
38. Home Office Pool Costs							
39.							
40. Subtotal-Facility Costs (Lines 30-40)		0	0	0	0	0	0
FQHC Overhead-Administrative Cost							
41. Office Salaries							
42. Depreciation-Office Equipment							
43. Office Supplies							
44. Legal							
45. Accounting							
46. Insurance (General Business)							
47. Telephone							
48. Fringe Benefits And Payroll Taxes							
49. Home Office Pool Costs (from home ofc. cost report)							
50. Other (Professional Consultants)							
51. Subtotal-Administrative Costs (Lines 42-51)		0	0	0	0	0	0
52. Total Cost Subject To Allocation (Sum of Lines 41 and 52)		0	0	0	0	0	0
53. Nonreimbursable Costs (Outreach/Fundraising)							
54. Non FQHC Expenses							
55. Nonreimbursable Costs -Patient Services							
56. Subtotal Nonreimbursable Costs		0	0	0	0	0	0
57. Total FQHC Costs (Sum of Lines 29, 53, and 57)		0	0	0	0	0	0

Provider Name				Fiscal Period		Provider Number		Revisions
THE EFFORT, INC				JULY 1, 2008 THROUGH JUNE 30, 2009		1124112933		4
Report References					Explanation of Revisions	As Audited	Increase (Decrease)	As Revised
Rev No.	Audited Report		Revised Report					
	Schedule	Line	Worksheet	Line				
<u>REVISIONS TO AUDITED COST</u>								
1	2A	51	2A	51	Other	\$70,374	\$151,634	\$222,008
	2A	55	2A	55	Non-FQHC Expenses Appeal Findings - Issue No.1	1,420,292	(270,707)	1,149,585
2	2A	30	2A	30	Rent Appeal Findings - Issue No.6	\$15,237	\$24,794	\$40,031
3	2A	42	2A	40	Office Salaries Appeal Findings - Issue No.9	\$504,012	\$17,338	\$521,350
4	2A	39	2A	39	Home Office Pool Costs Appeal Findings - Issue Home Office Revisions	\$22,147	\$2,966	\$25,113