

**REPORT
ON THE
COST BASED REIMBURSEMENT CLINICS
LAC / HIGH DESERT HEALTH SYSTEM
LANCASTER, CALIFORNIA
NATIONAL PROVIDER IDENTIFIERS: 1003929829,
1467565283, 1336152578, 1649383464 & 1821101643
FISCAL PERIOD ENDED
JUNE 30, 2010**

**Audits Section - Burbank
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Aviña
Auditor: Lee Ly and Jeff Mai**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

November 15, 2013

Judy Wong, Manager
State Reimbursement Section
Program Reimbursement Division
Department of Health Services
County of Los Angeles
313 North Figueroa Street, Room 426
Los Angeles, California 90012

LAC / HIGH DESERT HEALTH SYSTEM
NATIONAL PROVIDER IDENTIFIER (NPI): 1003929829
FISCAL PERIOD ENDED JUNE 30, 2010

We have examined the Cost Based Reimbursement Clinic (CBRC) 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.

In our opinion, the audited settlement for the fiscal period due the Provider in the amount of \$13,076,132 represents a proper determination in accordance with Medi-Cal Program reimbursement principles. The audited amount represents the final settlement of Medi-Cal Program costs.

This Audit Report includes the:

1. Computation of Audited CBRC Settlement (Schedule 1) and supporting schedules
2. Audit Adjustments

The audited settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the Clinic, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the Clinic by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status.

Judy Wong
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
Department of Health Care Services
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
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
PO Box 997413
Sacramento, CA 95899

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
(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 – Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section – Burbank
Financial Audits Branch

Certified

cc: Candy Smith, Chief Financial Officer
LAC / High Desert Health System
44900 North 60th Street West
Lancaster, California 93535

COMPUTATION OF MEDI-CAL REIMBURSEMENT SETTLEMENT

Provider Name: **LAC / HIGH DESERT HEALTH SYSTEM** Provider NPI: **1003929829** Fiscal Period Ended: **JUNE 30, 2010**

	REPORTED	AUDITED
1. Total Costs (CBRC Sch. 2, Col. 4)	\$ 72,089,482	\$ 71,596,231
2. Determination of Overhead Costs Applicable to non-reimbursable CHC/HC Health Care Services		
a. CBRC Health Care Services Costs (CBRC Sch. 2, Col. 4, Line 2)	32,252,889	32,312,360
b. Non-Reimbursable CBRC Costs ** (CBRC Sch. 3, Line 100.42)	844,732	539,649
c. Cost of all CBRC Costs - Excluding Overhead Costs (Line 2a + Line 2b)	<u>33,097,621</u>	<u>32,852,009</u>
d. Percentage of Non-Reimbursable CBRC Costs (Line 2b / Line 2c)	0.0255	0.0164
e. Total CBRC General Overhead Costs (CBRC Sch. 2, Col. 4, Line 1)	39,836,593	39,283,871
f. Overhead Applicable to Non-Reimbursable CBRC Costs ** (Line 2d X Line 2e)	560,815	645,303
3. Total Cost of Reimbursable CBRC Services (Line 1 - Line 2f)	<u>\$ 71,528,667</u>	<u>\$ 70,950,928</u>
4. Total Visits (Billable CBRC Visits) (Adj 6)	<u>124,149</u>	<u>125,053</u>
5. Average Cost Per Visit (Line 3 divided by Line 4)	<u>\$ 576.15</u>	<u>\$ 567.37</u>
6. Medi-Cal Visits (Adj 7, 10)	<u>29,286</u>	<u>29,723</u>
7. Total Medi-Cal Cost (Line 5 X Line 6)	<u>\$ 16,873,129</u>	<u>\$ 16,863,939</u>
8. <u>Less Payments:</u>		
a. Medi-Cal (Billing Code 01 & 03) (Adj 8)	\$ 3,631,464	\$ 3,713,250
b. Medi-Cal X-Over (Adj 11)	9,777	7,259
c. Patient Share of Cost (Adj 9)	0	36,605
d. Medi-Cal Overpayments (Adj)	0	0
e. Medi-Cal Managed Care Overpayments (Adj)	0	0
f. Medi-Cal Credit Balances (Adj 12)	0	30,693
g. Total Payments	<u>\$ 3,641,241</u>	<u>\$ 3,787,807</u>
9. Balance Due Provider/(State) Before Protested Items (Line 7 - Line 8f)	\$ 13,231,888	\$ 13,076,132
10. Protested Items: (Adj)	<u>\$ 0</u>	<u>\$ 0</u>
11. Balance Due Provider/(State) After Protested Items	<u>\$ 13,231,888</u>	<u>\$ 13,076,132</u>

** The reported Line 2b and 2f amounts were input to agree with the filed cost report.

TOTAL CBRC COSTS

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	1 Direct Costs Trial Balance (CBRC Sch. 3)	2 Allocated Costs	3 Off-site Ancillary/ Indigent Costs (Adj)	4 Total Allowable CBRC HDHS Costs Col. 1 + Col. 2 - Col. 3
1.00	HDHS A&G Overhead Costs	\$ 39,283,871	\$ 0	\$ 0	\$ 39,283,871
2.00	HDHS Reimb. Patient Care Costs	33,038,707	0	726,347	32,312,360
5.00	Old Capital - Related Costs - Bldg.and Fixtures	0	0	0	0
6.00	Old Capital - Related Costs - Movable Equipment	0	0	0	0
7.00	New Capital - Related Costs - Bldg. And Fixtures	0	0	0	0
8.00	New Capital Related Costs - Movable Equipment	0	0	0	0
9.00	Employee Benefits	0	0	0	0
10.00	Administrative and General	0	0	0	0
11.00	Maintenance and Repairs	0	0	0	0
12.00	Operation of Plant	0	0	0	0
13.00	Laundry & Linen Service	0	0	0	0
14.00	Housekeeping	0	0	0	0
15.00	Dietary	0	0	0	0
16.00	Cafeteria	0	0	0	0
17.00	Nursing Administration	0	0	0	0
18.00	Central Services and Supplies	0	0	0	0
19.00	Pharmacy	0	0	0	0
20.00	Medical Records & Medical Records Library	0	0	0	0
21.00	Social Services	0	0	0	0
22.00	PFSW Provider/Eligibility	0	0	0	0
23.00	PFSW Provider	0	0	0	0
24.00	Physicians	0	0	0	0
25.00	Nonphysician Anesthetists	0	0	0	0
26.00	Nonphysician Practitioner	0	0	0	0
27.00	Nursing School	0	0	0	0
28.00	I & R Services - Salaries & Fringe B. Approved	0	0	0	0
29.00	I & R Other Program Costs Approved	0	0	0	0
30.00	Physicians Teaching Program Costs	0	0	0	0
31.00	Paramedic Education Program	0	0	0	0
	Total	\$ 72,322,578	\$ 0	\$ 726,347	\$ 71,596,231

(CBRC Sch. 1, Line 1)

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS	AUDITED
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(CBRC Sch. 3A)

MACC/HC OVERHEAD COSTS**MACC Overhead Administrative Cost**Materials Management

100.40 Materials Management \$ 179,076

100.40 Purchasing 32,103

Warehousing

100.40 Warehouse 273,748

Safety Police

100.40 Safety Police 957,636

Emp Ben-Payroll

100.40 Employee Benefits Payroll 15,251,793

100.40 Personnel 2,912

100.40 D.O.P. Overheard 3,904

CHC Admin

100.40 Printing & Duplicating 72,069

100.40 Patient Transportation 9,949

100.40 Telecommunications 467,763

100.40 Telecommunications-Telephones 448,265

100.40 Telecommunications-Messenger 204,340

100.40 Data Processing 171,036

100.40 Hospital Information Systems 827,153

100.40 General Accounting 326,327

100.40 Expenditure Management 46,726

100.40 Revenue Management -

100.40 Patient Accounting - Billing 594,982

100.40 Credit and Collection 106,374

100.40 PFS - Provider 70,905

100.40 Credit and Collection - Cashier 75,968

100.40 T T C OH 10,231

100.40 Outpatient Registration 711,749

100.40 Appointment Scheduling 243,903

100.40 PFS - Eligibility 539,649

100.40 CHP 15,898,423

100.40 Hospital Administration 1,115,921

100.40 Healthy Way LA 337,699

100.40 Grants & Programs 144,795

100.40 Contracts 47,999

100.40 Referral Center 366,693

100.40 Healthy Way LA-Eligibility 125,784

100.40 Employee Clinic 89,309

100.40 Auxiliary Groups (Rev-Vol) 44,422

100.40 Medical Library 7,716

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS	AUDITED
			(CBRC Sch. 3A)	
100.40	Quality Assurance	154,438		
100.40	Hospital Administration-CRM/Clinical Pathways	97,485		
100.40	Hospital Administration-CRM/Disease Mgmt	953,625		
100.40	Depreciation - New Bldgs & Fixtures	-		
100.40	Depreciation - LAC-CAL	-		
100.40	Depreciation - New Major Movable	-		
100.40	Insurance - Professional Liability	130,242		
100.40	License and Taxes	200		
100.40	H S A - OH	4,362,490		
100.40	County Administrative Expense OH	\$ 445,161		
	<u>Medical Records</u>			
100.40	Medical Records	825,812		
	<u>Medical Administration</u>			
100.40	Medical Staff - Facility Medical Dir	735,094		
	<u>Nursing Administration</u>			
100.40	Nursing Administration	561,996		
100.40	Nursing Administration/CHP Case Management	155,723		
100.40	Inservice Education	233,253		
100.40	Infection Control	101,892		
	MACC Overhead Facility Costs			
	<u>Plant Maintenance</u>			
100.40	Grounds	141,555		
100.40	Safety - Office	113,996		
100.40	Plant Maintenance	1,807,855		
	<u>Housekeeping</u>			
100.40	Housekeeping	24,624		
100.40	Environmental Health & Safety	1,406		
	<u>Laundry and Linen</u>			
100.40	Laundry and Linen	130,749		
	<u>Plant Operations</u>			
100.40	Plant Operations - Mechanical	1,502,774		
	<u>Dietary</u>			
100.40	Cafeteria	147,618		
	HC Overhead Administrative Cost			
	<u>Employee Ben-Payroll</u>			
100.40	AVHC Employee Benefits	513,416		
100.40	SAV - PC Employee Benefits	759,610		
100.40	SAV - UC Employee Benefits	817,283		
100.40	Lake Los Angeles Employee Benefits	109,366		
100.40	Little Rock Employee Benefits	21,286		
100.40	Acton Medical Clinic Employee Benefits	151,100		
100.40	Warm Springs Medical Center Employee Benefits	84,386		

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS	AUDITED
			(CBRC Sch. 3A)	
100.40	A&G EB's at Health Centers (Admin/IS/PA/Facilities)	168,413		
100.40	Mobile Med Clinic Employee Benefits	-		
	<u>HC Administration</u>			
100.40	Various Admin Overhead	-		
100.40	H S A - OH	963,847		
100.40	GCO - OH	115,653		
	<u>Other Administrative Costs</u>			
100.40	A&G at Health Centers (Admin/IS/PA/Facilities)	58,428		
	<u>Security Services</u>			
100.40	Security Services	446,438		
	HC Overhead Facility Costs			
	<u>Rents/Leases</u>			
100.40	AVHC	\$ -		
100.40	Lake Los Angeles HC	509		
100.40	Littlerock HC	466		
100.40	SAV - PC	-		
100.40	A&G at Health Centers (Admin/IS/PA/Facilities)	683,836		
	<u>Laundry/Linen</u>			
100.40	AVHC	-		
100.40	SAV-PC	-		
100.40	SAV - UC	280		
100.40	Acton Medical Center	-		
100.40	Warm Springs Medical Clinic	-		
	<u>Housekeeping</u>			
100.40	AVHC	2,287		
100.40	SAV-PC	1,699		
100.40	Lake LA HC	353		
100.40	Littlerock HC	197		
100.40	SAV-UC	2,882		
100.40	Mobile Med Clinic	-		
100.40	Acton Medical Clinic	264		
100.40	Warm Springs Medical Clinic	331		
100.40	A&G at Health Centers (Admin/IS/PA/Facilities)	986,800		
	<u>Plant Operations</u>			
100.40	AVHC	-		
100.40	SAV-PC	-		
100.40	Lake LA HC	-		
100.40	Littlerock HC	9,415		
100.40	A&G at Health Centers (Admin/IS/PA/Facilities)	135,612		
	<u>Plant Maintenance</u>			
100.40	AVHC	1,576		
100.40	SAV-PC	-		

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS (CBRC Sch. 3A)	AUDITED
100.40	Lake LA HC	207		
100.40	Littlerock HC	207		
100.40	SAV-UC	2,039		
100.40	Acton Medical Centers	232		
100.40	Warm Springs Medical Center	232		
100.40	A&G at Health Centers (Admin/IS/PA/Facilities)	49,270		
100.40	Total MACC/HC Overhead Costs	58,523,230		

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS	AUDITED
			(CBRC Sch. 3A)	
100.40	Total A-6 Reclassifications	(852,561)		
100.40	Total A-8 Adjustments	(17,834,075)		
100.40	Adjusted MACC/HC Overhead Costs	\$ 39,836,594	\$ (552,723)	\$ 39,283,871
	MACC/HC HEALTH CARE COSTS		(CBRC Sch. 2, Col. 1, Line 1)	
	MACC Health Care Costs			
	<u>Diabetic Clinic</u>			
100.41	Diabetic Clinic	\$ 6,405		
	<u>Oncology Clinic</u>			
100.41	Oncology Clinic	155,134		
	<u>Chest Medicine Clinic</u>			
100.41	Chest Medicine Clinic	4,839		
	<u>Urgent Care Clinic</u>			
100.41	Urgent Care Clinic	2,273,271		
	<u>Family Medicine Clinic</u>			
100.41	General Medicine Clinic	1,043,561		
	<u>HIV Clinic</u>			
100.41	AIDS Clinic	149,906		
	<u>Ambulatory Surgery Clinic</u>			
100.41	Surgery Clinic	316		
100.41	Surgery and Recovery	1,596,904		
	<u>Anesthesiology Clinic</u>			
100.41	Anesthesiology Clinic	352,949		
100.41	Pre-Op Anesthesia Clinic	(132)		
	<u>Asthma Clinic</u>			
100.41	Asthma Clinic	2,471		
	<u>Podiatry Clinic</u>			
100.41	Podiatry Clinic	1,004		
	<u>Gastrointestinal</u>			
100.41	Gastrointestinal Clinic	48,918		
	<u>Rehab</u>			
100.41	Rehab Clinic	751		
	<u>Optometry</u>			
100.41	Optometry Clinic	89		
	<u>Urology</u>			
100.41	Urology Clinic	1,276		
	<u>Women's Health Clinic</u>			
100.41	OB/Gyn	-		
100.41	Women's Clinic	133,953		
	<u>Pediatrics Clinic</u>			
100.41	Peds Clinic	641,603		
101.41	Peds Hub	539,743		
100.41	Peds Scan Clinic	93,703		

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS	AUDITED
			(CBRC Sch. 3A)	
	<u>AVRC</u>			
100.41	Antelope Valley Rehabilitation Center	2,610		
	<u>Public Health Department</u>			
100.41	Public Health Department	3,633		
	<u>Physicians</u>			
100.41	Family Med - Physicians	4,023,961		
100.41	Radiology - Diagnostic	963,099		
100.41	Anesthesiology	188,676		
	<u>Central S&S</u>			
100.41	Central S&S	\$ 223,301		
	Other MACC Health Care Costs			
	<u>Lab Clinic</u>			
100.41	Laboratory - Clinical	2,949,709		
	<u>Lab Path</u>			
100.41	Laboratory - Pathology	93,689		
	<u>EKG</u>			
100.41	EKG	140,396		
	<u>EEG</u>			
100.41	EEG	15,247		
	<u>MRI</u>			
100.41	MRI	272,496		
	<u>CT Scan</u>			
100.41	CT Scan	-		
	<u>Radiology Diagnostic</u>			
100.41	Radiology Diagnostic	1,457,365		
100.41	Radiology Therapeutic	136,206		
	<u>Ambulance</u>			
100.41	Ambulance	574,695		
	<u>Neurology</u>			
	Neurology	12,361		
	<u>DuraMed</u>			
100.41	Durable Medical Equipment	2,578		
	<u>Therapies</u>			
100.41	Respiratory Therapy	131,625		
100.41	Physical Therapy	331,272		
100.41	Speech Therapy	267,178		
100.41	Occupational Therapy	212,518		
100.41	Orthotic Equipment	57,540		
	<u>Pharmacy</u>			
100.41	Pharmacy	3,513,733		
	HC Health Care Costs			
	<u>Adult Medicine Clinic</u>			

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS	AUDITED
			(CBRC Sch. 3A)	
100.41	AVHC	1,647,966		
100.41	SAV - PC	1,923,146		
101.41	SAV - UC	2,489,314		
100.41	Lake LA HC	321,779		
100.41	Littlerock HC	80,399		
100.41	Acton Medical Clinic	596,995		
100.41	Warm Springs Medical Clinic	457,184		
100.41	Lake LA/Littlerock MR	41,270		
100.41	Lake LA/Littlerock PFS	41,676		
100.41	A&G at Health Centers (Admin/IS/PA/Facilities) <u>Mobile Clinic</u>	583,514		
100.41	Mobile Medical Clinic	-		
	<u>Physicians</u>			
100.41	AVHC	485,546		
100.41	SAV - PC	1,004,046		
100.41	SAV - UC	\$ 54,500		
100.41	Lake LA HC	-		
	<u>Central Services & Supplies</u>			
100.41	AVHC	38,594		
100.41	SAV - PC	42,638		
100.41	Lake LA HC	8,279		
100.41	Littlerock HC	5,672		
100.41	SAV - UC	91,230		
100.41	Mobile Med Clinic	-		
100.41	Acton Medical Center	6,046		
100.41	Warm Springs Medical Clinic	6,861		
	HC Other Health Care Costs			
	<u>Lab Clinic</u>			
100.41	AVHC	169		
100.41	SAV - PC	209,451		
100.41	Lake LA HC	(2)		
100.41	Littlerock HC	34		
100.41	SAV - UC	101,208		
100.41	Mobile Med Clinic			
	<u>Radiology-Diagnostic</u>			
100.41	SAV - PC	8		
	<u>Pharmacy</u>			
100.41	AVHC	454,560		
100.41	SAV - PC	990,827		
100.41	Lake LA HC	165,185		
100.41	Littlerock HC	90,919		
100.41	SAV - UC	289,994		

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:

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Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Line No.	Cost Centers	REPORTED	ADJUSTMENTS	AUDITED
			(CBRC Sch. 3A)	
100.41	Mobile Med Clinic	-		
100.41	Acton Medical Clinic	67,432		
100.41	Warm Springs Medical Clinic	44,955		
100.41	TOTAL MACC/HC HEALTHCARE COSTS	34,961,947		
100.41	Total A-6 Reclassifications	(2,384,240)		
100.41	Total A-8 Adjustments	401,532		
100.41	Adjusted MACC/HC Healthcare Costs	\$ 32,979,239	\$ 59,468	\$ 33,038,707
	Non-Reimbursable Costs		(CBRC Sch. 2, Col. 1, Line 2)	
100.42	Total A-6 Reclassifications	\$ 3,251,635		
100.42	Total A-8 Adjustments	-		
100.42	Adjusted MACC/HC Healthcare Costs	\$ 3,251,635	\$ (2,711,986)	\$ 539,649
	Non-Allowable Patient Care Costs		(CBRC Sch. 1, Line 2b)	
100.43	Total A-6 Reclassifications	\$ -		
100.43	Total A-8 Adjustments	1,335,076		
100.43	Adjusted MACC/HC Healthcare Costs	\$ 1,335,076	\$ 2,811,315	\$ 4,146,391
	TOTAL CBRC COSTS	\$ 77,402,544	\$ (393,926)	\$ 77,008,618

ADJUSTMENTS TO REPORTED CBRC COSTS

Provider Name:

Provider NPI:

Fiscal Period Ended:

LAC / HIGH DESERT HEALTH SYSTEM

1003929829

JUNE 30, 2010

Adj. #	Line 100.40	Line 100.41	Line 100.42	Line 100.43	Total
1	\$ (99,329)	\$ -	\$ (2,711,986)	\$ 2,811,315	\$ -
2	(227,421)				(227,421)
3	25,793				25,793
4	(251,766)				(251,766)
5		59,468			59,468
					-
					-
					-
	\$ (552,723)	\$ 59,468	\$ (2,711,986)	\$ 2,811,315	\$ (393,926)
	(CBRC Sch 3)	(CBRC Sch 3)	(CBRC Sch 3)	(CBRC Sch 3)	

Provider Name					Fiscal Period		Provider NPI		Adjustments
LAC / HIGH DESERT HEALTH SYSTEM					JULY 1, 2009 THROUGH JUNE 30, 2010		1003929829		12
Report References					Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Form	Line					
<u>RECLASSIFICATION TO REPORTED COSTS</u>									
1	CBRC Sch 3A	100.40	CBRC 3 TB	100.40	CHC/HC Overhead Costs		\$39,836,593	(\$99,329)	\$39,737,264 *
	CBRC Sch 3A	100.42	CBRC 3 TB	100.42	Non-Reimbursable Costs		3,251,635	(2,711,986)	539,649
	CBRC Sch 3A	100.43	CBRC 3 TB	100.43	Non-Allowable Patient Care Costs		1,335,076	2,811,315	4,146,391
To reclassify non-allowable patient care costs based on the current 2009 appeal findings. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304									

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period		Provider NPI		Adjustments	
LAC / HIGH DESERT HEALTH SYSTEM				JULY 1, 2009 THROUGH JUNE 30, 2010		1003929829		12	
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Form						Line
<u>ADJUSTMENTS TO REPORTED COSTS</u>									
	CBRC Sch 3A	100.40	CBRC 3 TB	100.40	CHC/HC Overhead Costs	*	\$39,737,264		
2					To abate miscellaneous revenue against overhead/administrative costs. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328		(\$227,421)		
3					To adjust major movable depreciation cost to agree with the provider's depreciation schedule. 42 CFR 413.20, 413.24, 413.50, and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302.4, and 2304		25,793		
4					To adjust reported home office costs to agree with the Los Angeles County Department of Health Services home office audit report for fiscal period ended June 30, 2010. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		<u>(251,766)</u> <u>(453,394)</u>	\$39,283,870	
5	CBRC Sch 3A	100.41	CBRC 3 TB	100.41	CHC/HC Healthcare Costs To adjust speech therapy service cost to agree with the provider's schedule. 42 CFR 413.20, 413.24, 413.50, and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302.4, and 2304		\$32,979,236	\$59,468	\$33,038,704

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period		Provider NPI		Adjustments
LAC / HIGH DESERT HEALTH SYSTEM				JULY 1, 2009 THROUGH JUNE 30, 2010		1003929829		12
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Form	Line				
<u>ADJUSTMENT TO REPORTED VISITS</u>								
6	CBRC Sch 1	4.00	CBRC 2	4.00	Total Visits	124,149	904	125,053
To adjust total visits to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								

Provider Name				Fiscal Period		Provider NPI		Adjustments	
LAC / HIGH DESERT HEALTH SYSTEM				JULY 1, 2009 THROUGH JUNE 30, 2010		1003929829		12	
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Form						Line
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA - CBRC									
7	CBRC Sch 1	6	CBRC 2	6	Medi-Cal Visits (Billing Codes 01)	29,286	587	29,873 *	
8	CBRC Sch 1	8a	CBRC 2	8a	Medi-Cal Payments (Billing Codes 01)	\$3,631,464	\$81,786	\$3,713,250	
9	CBRC Sch 1	8c	CBRC 2	8c	Medi-Cal Patient Share of Cost	\$0	\$36,605	\$36,605	
<p>To adjust Medi-Cal Settlement Data to agree with the following Paid Claims Summary Report: Report Date: August 23, 2013 Payment Period: July 1, 2009 through August 20, 2013 Service Period: July 1, 2009 through June 30, 2010 42 CFR 413.20, 413.50, 413.53, 413.60, and 413.64 CMS Pub. 15-1, Sections 2304 and 2408</p>									
10	CBRC Sch 1	6	CBRC 2	6	Medi-Cal Visits (Billing Codes 01)	* 29,873	(150)	29,723	
<p>To reduce non-allowable Medi-Cal podiatry visits for patients 21 or older in accordance with Optional Benefits Exclusion regulation in conjunction with adjustment 7. 42 CFR 413.20, 413.50, 413.53, 413.60 and 413.64 CMS Pub. 15-1, Sections 2304 and 2408.3 Welfare and Institutions Code, Section 14131.10 Assembly Bill X3 5</p>									

*Balance carried forward from prior/to subsequent adjustments

Provider Name					Fiscal Period	Provider NPI		Adjustments
LAC / HIGH DESERT HEALTH SYSTEM					JULY 1, 2009 THROUGH JUNE 30, 2010	1003929829		12
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Form	Line				
<u>ADJUSTMENTS TO OTHER MATTERS</u>								
11	CBRC Sch 1	8b	CBRC 2	8b	Medi-Cal Crossover Payments To adjust Medi-Cal crossover payments for non-billable services. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 SPA 05-009, Section B1(ix)(II)	\$9,777	(\$2,518)	\$7,259
12	CBRC Sch1	8f	Not Reported		Medi-Cal Credit Balances To recover outstanding Medi-Cal credit balances. 42 CFR 413.20 / CMS Pub. 15-1, Section 2304 CCR, Title 22, Sections 50761 and 51458.1	\$0	\$30,693	\$30,693