

**REPORT  
ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
RATE SETTING COST REPORT AUDIT  
WEST FRESNO COMMUNITY HEALTH CENTER  
NATIONAL PROVIDER IDENTIFIER: 1326297904**

**FISCAL PERIOD ENDED  
MARCH 31, 2010**

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

**Section Chief: Michael Harrold  
Audit Supervisor: Kristina Nacino  
Auditor: Svetlana Lysenko**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

January 14, 2014

Consuelo E. Cantu, CFO  
Clinica Sierra Vista, Inc.  
1430 Truxton Avenue, Suite 400  
Bakersfield, CA 93302

PROVIDER: WEST FRESNO COMMUNITY HEALTH CENTER  
NATIONAL PROVIDER IDENTIFIER: 1326297904  
FISCAL PERIOD ENDED: MARCH 31, 2010

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 as presented in Schedule 1 represents a proper determination in accordance with the reimbursement principles of the program. Your rates and effective dates are as follows:

<u>PPS Rate</u>	<u>Effective Date</u>
\$ 102.33	October 15, 2008

In addition, your rate will be increased to: \$103.56, effective October 1, 2010  
\$103.97, effective October 1, 2011  
\$104.60, effective October 1, 2012

To reflect the MEI increases of 1.2%, .4%, .6% respectively.

Your interim Managed Care rate (Code 18) and Medi-Cal Crossover rate (Code 02) will not be adjusted at this time.

In our opinion, there is an overpayment for the above period due the State in the amount of \$270.

This Audit Report includes the:

1. Computation of Medi-Cal Prospective Payment System Rate (Schedule 1) and supporting schedules
2. Audit Adjustments
3. Audited Allocation of Home Office Cost

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

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 Legal Services, Administrative Appeals, Hearing and Appeals, 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, Department of Health Care Services, Office of Legal Services, 1501 Capitol Avenue, Suite 71.5001, P.O. Box 997413, Sacramento, California 95814. 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 Audits Section – Fresno at (559) 446-2458.

Sincerely,

Original Signed by

Michael A. Harrold, Chief  
Audits Section – Fresno  
Financial Audits Branch

Certified

## COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE

Provider Name:  
WEST FRESNO COMMUNITY HEALTH  
CENTER

Provider No.  
1326297904

Fiscal Period Ended:  
MARCH 31, 2010

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

	REPORTED	AUDITED
1. Cost of FQHC Services Excluding Overhead (Sch 2, L 29)	\$ 660,377	\$ 643,119
2. Nonreimbursable FQHC Costs Excluding Overhead (Sch 2, L 57)	0	0
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 660,377	\$ 643,119
4. Percentage of Nonreimbursable FQHC Costs (L A2 / L A3)	0.000000	0.000000
5. Total Overhead (Sch 2, L 53)	\$ 157,526	\$ 147,189
6. Overhead Applicable to Nonreimbursable FQHC Costs (L A4 * L A5)	0	0
7. Overhead Applicable to FQHC Services (L A5 - L A6)	157,526	147,189
8. Total Cost of FQHC Services (L A1 + L A7)	\$ 817,903	\$ 790,308

## PART B - DETERMINATION OF FQHC RATE

1. Total FQHC Costs (L A8)	\$ 817,903	\$ 790,308
2. Total FQHC Visits (Adj No. 5)	7,371	7,723
3. Total FQHC Nonreimbursable Services Visits	0	0
4. Total FQHC Adjusted Visits (L B2 - L B3)	7,371	7,723
5. FQHC PPS Rate Per Visit (L B1 / L B4)	\$ 110.96	\$ 102.33

## PART C - OVERPAYMENTS

1. Duplicate Payments (Adj No. 6)	\$ 0	\$ (270)
2. Credit Balances	0	0
3. Total Overpayments	\$ 0	\$ (270)

## SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name: WEST FRESNO COMMUNITY HEALTH CENTER      Provider No. 1326297904      Fiscal Period Ended: MARCH 31, 2010

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC Health Care Cost</b>			
1. Physician	\$102,059	\$0	\$102,059
2. Physician Assistant	23,015	0	23,015
3. Nurse Practitioner	0	0	0
4. Other Nurse	33,541	0	33,541
5. Laboratory Technician	0	0	0
6. Education and Outreach	0	0	0
7. Case Management	0	0	0
8. Other Medical-Medical Fringes	25,908	0	25,908
9. Medical Records	84,337	(625)	83,712
10. Support Staff	0	0	0
11. Mental Health	0	0	0
12.	0	0	0
13. Subtotal-FQHC Health Care Costs	\$268,860	(\$625)	\$268,235
14. Physician Services Under Agreement	\$6,323	\$0	\$6,323
15. Physician Supervision	0	0	0
16.	0	0	0
<b>17. Other Health Care Costs</b>			
18. Pharmacy	\$0	\$0	\$0
19. Dental	326,093	(14,484)	311,609
20. Optometry	0	0	0
21. Medical Supplies	27,425	(971)	26,454
22. Depreciation-Medical Equipment	774	(774)	0
23. Professional Liability Insurance	585	0	585
24. Home Office Direct Cost (from HO Cost Report-Sch 6)	1,694	0	1,694
25. Laboratory	4,189	0	4,189
26. Other Services-Schedule 2	9,705	0	9,705
27. Minor Medical Equipment and Rental/CME	14,729	(404)	14,325
28. Subtotal-Other Health Care Costs	\$385,194	(\$16,633)	\$368,561
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$660,377	(\$17,258)	\$643,119
<b>FQHC Overhead-Facility Cost</b>			
30. Rent	\$17,346	\$0	\$17,346
31. Insurance	0	0	0
32. Interest Expense	0	0	0
33. Utilities	0	0	0
34. Depreciation-Building	0	0	0
35. Depreciation-Equipment	0	0	0
36. Housekeeping And Maintenance	5,821	0	5,821
37. Property Tax	0	0	0
38. Minor Equipment	0	0	0
39. Home Office Pool Costs (from HO Cost Report-Sch 6)	14,854	(1,454)	13,400
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$38,021	(\$1,454)	\$36,567
<b>FQHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$0	\$0	\$0
43. Depreciation-Office Equipment	0	0	0
44. Office Supplies	0	0	0
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance (Specify)	0	0	0
48. Telephone	0	0	0
49. Fringe Benefits And Payroll Taxes	0	0	0
50. Home Office Pool Costs (from HO Cost Report-Sch 6)	96,363	(7,200)	89,163
51. Other-OH in Medical Department	23,142	(1,683)	21,459
52. Subtotal-Administrative Costs (Lines 42-51)	\$119,505	(\$8,883)	\$110,622
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$157,526	(\$10,337)	\$147,189
54. Nonreimbursable Costs (Specify)	\$0	\$0	\$0
55.	0	0	0
56.	0	0	0
57. Subtotal Nonreimbursable Costs	\$0	\$0	\$0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$817,903	(\$27,595)	\$790,308

ADJUSTMENTS TO REPORTED COSTS

Provider Name	Provider No.	Fiscal Period Ended					
WEST FRESNO COMMUNITY HEALTH CENTER	1326297904	MARCH 31, 2010					
Cost Center	Total	Adjustment (No. 1)	Adjustment (No. 2)	Adjustment (No. 3)	Adjustment (No. 4)	Adjustment (No. )	Adjustment (No. )
<b>FQHC Health Care Cost</b>							
1. Physician	0						
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-Medical Fringes	0						
9. Medical Records	(625)			(625)			
10. Support Staff	0						
11. Mental Health	0						
12.	0						
13. Subtotal-FQHC Health Care Costs	(625)	0	0	(625)	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	(14,484)	(10,186)	(4,298)				
20. Optometry	0						
21. Medical Supplies	(971)		(971)				
22. Depreciation-Medical Equipment	(774)		(774)				
23. Professional Liability Insurance	0						
24. Home Office Direct Cost (from HO Cost Report-Sch 6)	0						
25. Laboratory	0						
26. Other Services-Schedule 2	0						
27. Minor Medical Equipment and Rental/CME	(404)			(404)			
28. Subtotal-Other Health Care Costs	(16,633)	(10,186)	(6,043)	(404)	0	0	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(17,258)	(10,186)	(6,043)	(1,029)	0	0	0
<b>FQHC 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 Pool Costs (from HO Cost Report-Sch 6)	(1,454)				(1,454)		
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	(1,454)	0	0	0	(1,454)	0	0
<b>FQHC 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 Pool Costs (from HO Cost Report-Sch 6)	(7,200)				(7,200)		
51. Other-OH in Medical Department	(1,683)		(1,683)				
52. Subtotal-Administrative Costs (Lines 42-51)	(8,883)	0	(1,683)	0	(7,200)	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(10,337)	0	(1,683)	0	(8,654)	0	0
54. Nonreimbursable Costs (Specify)	0						
55.	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)	(27,595)	(10,186)	(7,726)	(1,029)	(8,654)	0	0

ADJUSTMENTS TO REPORTED COSTS

Provider Name	Provider No.	Fiscal Period Ended					
WEST FRESNO COMMUNITY HEALTH CENTER	1326297904	MARCH 31, 2010					
Cost Center	Adjustment (No. )	Adjustment (No. )	Adjustment (No. )	Adjustment (No. )	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. Education and Outreach							
7. Case Management							
8. Other Medical-Medical Fringes							
9. Medical Records							
10. Support Staff							
11. Mental Health							
12.							
13. Subtotal-FQHC Health Care Costs	0	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 HO Cost Report-Sch 6)							
24. Laboratory							
25. Other Services-Schedule 2							
26. Minor Medical Equipment and Rental/CME							
27. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
28.							
29. 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							
33. Utilities							
34. Depreciation-Building							
35. Depreciation-Equipment							
36. Housekeeping And Maintenance							
37. Property Tax							
38. Minor Equipment							
39. Home Office Pool Costs (from HO Cost Report-Sch 6)							
40.							
41. Subtotal-Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
<b>FQHC 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 Pool Costs (from HO Cost Report-Sch 6)							
51. Other-OH in Medical Department							
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.							
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 Legal Name					Fiscal Period		Provider Number (NPI)		Adjustments
WEST FRESNO COMMUNITY HEALTH CENTER					APRIL 1, 2009 THROUGH MARCH 31, 2010		1326297904		6
Report References					Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Worksheet	Line					
<b><u>ADJUSTMENT TO OTHER MATTERS</u></b>									
6	1	C1	N/A	N/A	Medi-Cal Overpayments To recover Medi-Cal duplicate payments. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2409 Title 22, CCR, Section 51458.1	\$0	\$270	\$270	