REPORT
ON THE
FEDERALLY QUALIFIED HEALTH CENTER
RATE SETTING COST REPORT AUDIT
REGIONAL MEDICAL COMMUNITY HEALTH CENTER
NPI: 1427207000

FISCAL PERIOD ENDED
MARCH 31, 2010

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

Section Chief: Mike Harrold
Audit Supervisor: Kristina Nacino
Auditor: Effie Zoulek

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

TOBY DOUGLAS
DIRECTOR

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: REGIONAL MEDICAL COMMUNITY HEALTH CENTER
NATIONAL PROVIDER IDENTIFIER: 1427207000
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 represent a proper determination in accordance with the reimbursement principles of the program. The rates and effective dates are as follows:

PPS Rate	Effective Dates
$93.03	October 15, 2008

In addition, your rate will be increased to:
$94.15, effective October 1, 2010
$94.52, effective October 1, 2011
$95.09, effective October 1, 2012

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

Your interim Management 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 $1,795.

Financial Audits Branch / Audits Section – Fresno
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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, 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 Audits Section - Fresno at (559) 446-2458.

Original Signed by

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

Certified

STATE OF CALIFORNIA **SCHEDULE 1**

FQHC/RHC

COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE

Provider Legal Name:	**Provider No. (NPI)**	**Fiscal Period Ended:**
REGIONAL MEDICAL COMMUNITY HEALTH CENTER	**1427207000**	**MARCH 31, 2010**

PART A - DETERMINATION OF OVERHEAD APPLICABLE TO MEDICAL SERVICES	**REPORTED**	**AUDITED**
1. Cost of Services Excluding Overhead (Sch 2, L 29)	$ 2,035,915	$ 1,958,929
2. Nonreimbursable Costs Excluding Overhead (Sch 2, L 57)	91	91
3. Cost of All Services Excluding Overhead (L A1 + L A2)	$ 2,036,006	$ 1,959,020
4. Percentage of Nonreimbursable Costs (L A2 / L A3)	0.000045	0.000046
5. Total Overhead (Sch 2, L 53)	$ 538,310	$ 458,041
6. Overhead Applicable to Nonreimbursable Costs (L A4 * L A5)	24	21
7. Overhead Applicable to Medical Services (L A5 - L A6)	538,286	458,020
8. Total Cost of Medical Services (L A1 + L A7)	$ 2,574,201	$ 2,416,949
PART B - DETERMINATION OF PPS RATE		
1. Total Medical Costs (L A8)	$ 2,574,201	$ 2,416,949
2. Total FQHC/RHC Visits (Adj 10)	22,646	25,979
3. Total Nonreimbursable Services Visits (Adj)	0	0
4. FQHC/RHC Adjusted Visits (L B2 - L B3)	22,646	25,979
5. FQHC/RHC PPS Rate Per Visit (L B1 / L B4)	$ 113.67	$ 93.03
PART C - OVERPAYMENTS		
1. Overpayments (Adj 11)	$ 0	$ (1,154)
2. Credit Balances (Adj 12)	$ 0	$ (641)
3. Total Overpayments	$ 0	$ (1,795)

STATE OF CALIFORNIA | SCHEDULE 2

FQHC/RHC
SCHEDULE OF TRIAL BALANCE EXPENSES

Provider Legal Name:	Provider No. (NPI)	Fiscal Period Ended:
REGIONAL MEDICAL COMMUNITY HEALTH CENTER	1427207000	MARCH 31, 2010

Cost Center	REPORTED	ADJUSTMENTS	AUDITED
FQHC/RHC Health Care Cost		(From Sch 2A)	
1. Physician	$543,687	($33,283)	$510,404
2. Physician Assistant	100,068	0	100,068
3. Nurse Practitioner	6,296	0	6,296
4. Other Nurse	225,402	0	225,402
5. Laboratory Technician	0	0	0
6. Education and Outreach	0	0	0
7. Case Management	0	0	0
8. Other Medical - Medical Fringes	157,226	0	157,226
9. Medical Records	441,901	(8,268)	433,633
10. Support Staff	0	0	0
11. Mental Heal h	0	0	0
12. Inpatient	12,030	0	12,030
13. Subtotal-Health Care Costs	$1,486,610	($41,551)	$1,445,059
14. Physician Services Under Agreement	$350,748	($29,501)	$321,247
15. Physician Supervision	0	0	0
16.	0	0	0
17. **Other Health Care Costs**			
18. Pharmacy	$0	$0	$0
19. Dental	155	0	155
20. Optometry	0	0	0
21. Medical Supplies	74,766	0	74,766
22. Depreciation-Medical Equipment	2,937	(2,937)	0
23. Professional Liability Insurance	4,953	0	4,953
24. Home Office Cost (from H.O. cost report-sch 6)	9,352	0	9,352
25. Laboratory	20,800	(1,265)	19,535
26. Other Services	14,429	(1,183)	13,246
27. Minor Medical Equipment and Rental / CME	71,165	(549)	70,616
28. Subtotal-O her Health Care Costs	$198,557	($5,934)	$192,623
29. Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	$2,035,915	($76,986)	$1,958,929
FQHC/RHC Overhead-Facility Cost			
30. Rent	$0	$0	$0
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	40,510	(29,826)	10,684
37. Property Tax	0	0	0
38. Minor Equipment	0	0	0
39. Home Office Cost (from H.O. cost report-sch 6)	28,073	(2,749)	25,324
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	$68,583	($32,575)	$36,008
FQHC/RHC Overhead-Administrative Cost			
42. Office Salaries	$33,814	$0	$33,814
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 H.O. cost report-sch 6)	303,454	(22,674)	280,780
51. OH in Medical Department	132,459	(25,020)	107,439
52. Subtotal-Administrative Costs (Lines 42-51)	$469,727	($47,694)	$422,033
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	$538,310	($80,269)	$458,041
54. Nonreimbursable Costs (Specify)	$91	$0	$91
55.	0	0	0
56.	0	0	0
57. Subtotal Nonreimbursable Costs	$91	$0	$91
58. Total Costs (Sum of Lines 29, 53, and 57)	$2,574,316	($157,255)	$2,417,061

FQHC/RHC
ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name	Provider No. (NPI)	Fiscal Period Ended
REGIONAL MEDICAL COMMUNITY HEALTH CENTER	1427207000	MARCH 31, 2010

	Cost Center	Total	Adjustment (No. 1)	Adjustment (No. 2)	Adjustment (No. 3, 4)	Adjustment (No. 5, 6)	Adjustment (No. 7)	Adjustment (No. 8)
	FQHC/RHC Health Care Cost							
1.	Physician	(33,283)	(33 283)					
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	(8,268)					(7,643)	(625)
10.	Support Staff	0						
11.	Mental Health	0						
12.	Inpatient	0						
13.	Subtotal-Health Care Costs	(41,551)	(33,283)	0	0	0	(7,643)	(625)
14.	Physician Services Under Agreement	(29,501)			(29,501)			
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	(2,937)		(2 937)				
23.	Professional Liability Insurance	0						
24.	Home Office Cost (from H.O. cost report-sch 6)	0						
25.	Laboratory	(1,265)					(1,265)	
26.	Other Services	(1,183)					(1,183)	
27.	Minor Medical Equipment and Rental / CME	(549)						(549)
28.	Subtotal-Other Health Care Costs	(5,934)	0	(2,937)	0	0	(2,448)	(549)
29.	Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	(76,986)	(33,283)	(2,937)	(29,501)	0	(10,091)	(1,174)
	FQHC/RHC 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	(29,826)		(29,826)				
37.	Property Tax	0						
38.	Minor Equipment	0						
39.	Home Office Cost (from H.O. cost report-sch 6)	(2,749)						
40.		0						
41.	Subtotal-Facility Costs (Lines 30-40)	(32,575)	0	(29,826)	0	0	0	0
	FQHC/RHC 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 (from H.O. cost report-sch 6)	(22,674)						
51.	OH in Medical Department	(25,020)		(2,712)		(597)	(21,711)	
52.	Subtotal-Administrative Costs (Lines 42-51)	(47,694)	0	(2,712)	0	(597)	(21,711)	0
53.	Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(80,269)	0	(32,538)	0	(597)	(21,711)	0
54.	Nonreimbursable Costs (Specify)	0						
55.		0						
56.		0						
57.	Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58.	Total Costs (Sum of Lines 29, 53, and 57)	(157,255)	(33,283)	(35,475)	(29,501)	(597)	(31,802)	(1,174)

ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name	Provider No.	Fiscal Period Ended
REGIONAL MEDICAL COMMUNITY HEALTH CENTER	1427207000	MARCH 31, 2010

Cost Center	Adjustment (No. 9)	Adjustment (No.)	Adjustment (No.)	Adjustment (No.)	Adjustment (No.)	Adjustment (No.)	Adjustment (No.)
FQHC/RHC 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 - Medical Fringes							
9. Medical Records							
10. Support Staff							
11. Mental Health							
12. Inpatient							
13. Subtotal-Health Care Costs	0	0	0	0	0	0	0
14. Physician Services Under Agreement							
15. Physician Supervision							
16.							
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 Cost (from H.O. cost report-sch 6)							
25. Laboratory							
26. Other Services							
27. Minor Medical Equipment and Rental / CME							
28. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
29. Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	0	0	0	0	0	0	0
FQHC/RHC 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 Cost (from H.O. cost report-sch 6)	(2,749)						
40.							
41. Subtotal-Facility Costs (Lines 30-40)	(2,749)	0	0	0	0	0	0
FQHC/RHC 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 (from H.O. cost report-sch 6)	(22,674)						
51. OH in Medical Department							
52. Subtotal-Administrative Costs (Lines 42-51)	(22,674)	0	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(25,423)	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 Costs (Sum of Lines 29, 53, and 57)	(25,423)	0	0	0	0	0	0

Provider Legal Name	Fiscal Period	Provider Number (NPI)	Adjustments
REGIONAL MEDICAL COMMUNITY HEALTH CENTER	APRIL 1, 2009 THROUGH MARCH 31, 2010	1427207000	12

Report References								
Adj. No.	Audit Report		Cost Report		Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
	Schedule	Line	Worksheet	Line				
					ADJUSTMENTS TO OTHER MATTERS			
11	1	C1	N/A	N/A	Overpayments To recover Medi-Cal duplicate payments. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51458.1	$0	$1,154	$1,154
12	1	C2	N/A	N/A	Credit Balance To recover outstanding Medi-Cal credit balances. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 50761 and 51458.1	$0	$641	$641