

**REPORT
ON THE
FEDERALLY QUALIFIED HEALTH CENTER
RATE SETTING AUDIT**

**ST. JOHN'S WELL CHILD AND FAMILY
CENTER – HYDE PARK
LOS ANGELES, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1003068206**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

**Audit Section – Gardena
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Sunita Parmar**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

October 11, 2013

Elizabeth M. Meisler
Chief Financial Officer
St. John's Well Child Family Center
808 West 58th Street
Los Angeles, CA 90037

PROVIDER: ST. JOHN'S WELL CHILD AND FAMILY CENTER - HYDE PARK
NATIONAL PROVIDER IDENTIFIER: 1003068206
FISCAL PERIOD ENDED: DECEMBER 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:

| <u>PPS Rate</u> | <u>Effective Dates</u> |
|-----------------|---------------------------------------|
| \$ 145.06 | August 12, 2009 to September 30, 2011 |

In addition, your rate will be increased to \$145.64, effective October 1, 2011, \$146.51, effective October 1, 2012 and \$147.69, effective October 1, 2013 to reflect the MEI increases of .4%, .6% and .8% respectively.

We have instructed the Payment Systems Division to adjust your interim Managed Care rate (Code 18) to \$87.52 and your interim Medi-Cal Crossover rate (Code 02) to \$45.29, effective November 1, 2013.

Elizabeth M. Meisler
Page 2

This Audit Report includes the:

1. Computation of Medi-Cal Prospective Payment System Rate (Schedule 1) and supporting schedules
2. Audit Adjustments

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 Section - Gardena at (310) 516-4757.

Sincerely,

Original Signed By:

Maria Delgado, Chief
Audit Section Gardena
Financial Audits Branch

Enclosure
Certified

COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE

Provider Name:
ST. JOHNS' WELL CHILD AND FAMILY
CENTER - HYDE PARK

Provider No.
1003068206

Fiscal Period Ended:
12/31/2010

PART A - DETERMINATION OF OVERHEAD APPLICABLE TO FQHC SERVICES

| | REPORTED | AUDITED |
|--|--------------|--------------|
| 1. Cost of FQHC Services Excluding Overhead (Sch 2, L 29) | \$ 558,062 | \$ 556,147 |
| 2. Nonreimbursable FQHC Costs Excluding Overhead (Sch 2, L 57) | 35,574 | 35,574 |
| 3. Cost of All Services Excluding Overhead (L A1 + L A2) | \$ 593,636 | \$ 591,721 |
| 4. Percentage of Nonreimbursable FQHC Costs (L A2 / L A3) | 0.059926 | 0.060120 |
| 5. Total Overhead (Sch 2, L 53) | \$ 605,968 | \$ 603,667 |
| 6. Overhead Applicable to Nonreimbursable FQHC Costs (L A4 * L A5) | 36,313 | 36,292 |
| 7. Overhead Applicable to FQHC Services (L A5 - L A6) | 569,655 | 567,375 |
| 8. Total Cost of FQHC Services (L A1 + L A7) | \$ 1,127,717 | \$ 1,123,522 |

PART B - DETERMINATION OF FQHC RATE

| | | |
|---|--------------|--------------|
| 1. Total FQHC Costs (L A8) | \$ 1,127,717 | \$ 1,123,522 |
| 2. Total FQHC Visits (Adj No) | 7,745 | 7,745 |
| 3. Total FQHC Nonreimbursable Services Visits (Adj No) | 0 | 0 |
| 4. Total FQHC Adjusted Visits (L B2 - L B3) | 7,745 | 7,745 |
| 5. FQHC PPS Rate Per Visit (L B1 / L B4) | \$ 145.61 | \$ 145.06 |

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name:
ST. JOHN'S WELL CHILD AND FAMILY CENTER -
HYDE PARK

Provider No.
1003068206

Fiscal Period Ended:
DECEMBER 31, 2010

| Cost Center | REPORTED | ADJUSTMENTS (From Sch 2A) | AUDITED |
|--|-------------|------------------------------|-------------|
| FQHC Health Care Cost | | | |
| 1. Physician | \$58,702 | \$0 | \$58,702 |
| 2. Physician Assistant | 125,810 | 0 | 125,810 |
| 3. Nurse Practitioner | 9,917 | 0 | 9,917 |
| 4. Other Nurse | 95,017 | 0 | 95,017 |
| 5. Laboratory Technician | 0 | 0 | 0 |
| 6. Other (Specify) | 0 | 0 | 0 |
| 7. Support Staff | 41,720 | 0 | 41,720 |
| 8. | 0 | 0 | 0 |
| 9. | 0 | 0 | 0 |
| 10. | 0 | 0 | 0 |
| 11. | 0 | 0 | 0 |
| 12. | 0 | 0 | 0 |
| 13. Subtotal-FQHC Health Care Costs | \$331,166 | \$0 | \$331,166 |
| 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 | 96,515 | (400) | 96,115 |
| 20. Optometry | 0 | 0 | 0 |
| 21. Medical Supplies | 15,339 | (1,315) | 14,024 |
| 22. Depreciation-Medical Equipment | 0 | 0 | 0 |
| 23. Professional Liability Insurance | 0 | 0 | 0 |
| 24. Home Office Pool Cost (from home ofc. cost report-sch 6) | 113,367 | 0 | 113,367 |
| 25. Other (Specify) | 0 | 0 | 0 |
| 26. Continuing Medical Education | 1,675 | (200) | 1,475 |
| 27. | 0 | 0 | 0 |
| 28. Subtotal-Other Health Care Costs | \$226,896 | (\$1,915) | \$224,981 |
| 29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28) | \$558,062 | (\$1,915) | \$556,147 |
| FQHC Overhead-Facility Cost | | | |
| 30. Rent | \$0 | \$0 | \$0 |
| 31. Insurance | 0 | 0 | 0 |
| 32. Interest Expense | 0 | 0 | 0 |
| 33. Utilities | 19,385 | (529) | 18,856 |
| 34. Depreciation-Building | 0 | 0 | 0 |
| 35. Depreciation-Equipment | 0 | 0 | 0 |
| 36. Housekeeping And Maintenance | 2,041 | 0 | 2,041 |
| 37. Property Tax | 0 | 0 | 0 |
| 38. Other (Specify) | 0 | 0 | 0 |
| 39. Home Office Pool Costs (from HOCR Schedule 6) | 48,874 | 0 | 48,874 |
| 40. | 0 | 0 | 0 |
| 41. Subtotal-Facility Costs (Lines 30-40) | \$70,300 | (\$529) | \$69,771 |
| FQHC Overhead-Administrative Cost | | | |
| 42. Office Salaries | \$84,242 | \$0 | \$84,242 |
| 43. Depreciation-Office Equipment | 0 | 0 | 0 |
| 44. Office Supplies | 8,520 | (1,372) | 7,148 |
| 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 home ofc. cost report-sch 6) | 440,304 | 0 | 440,304 |
| 51. Other Administration Costs | 2,602 | (400) | 2,202 |
| 52. Subtotal-Administrative Costs (Lines 42-51) | \$535,668 | (\$1,772) | \$533,896 |
| 53. Total Cost Subject To Allocation (Sum of Lines 41 and 52) | \$605,968 | (\$2,301) | \$603,667 |
| 54. Nonreimbursable Costs (Specify) | \$0 | \$0 | \$0 |
| 55. | 0 | 0 | 0 |
| 56. Home Office Pool Costs (from HOCR Schedule 6) | 35,574 | 0 | 35,574 |
| 57. Subtotal Nonreimbursable Costs | \$35,574 | \$0 | \$35,574 |
| 58. Total FQHC Costs (Sum of Lines 29, 53, and 57) | \$1,199,604 | (\$4,216) | \$1,195,388 |

ADJUSTMENTS TO REPORTED COSTS

Provider Name:
ST. JOHN'S WELL CHILD AND FAMILY CENTER -
HYDE PARK

Provider No.
1003068206

Fiscal Period Ended:
DECEMBER 31, 2010

| Cost Center | Total | Adjustment (No. 1) | Adjustment (No. 2) | Adjustment (No. 3) | Adjustment (No. 4) | Adjustment (No. 5) | Adjustment (No. 6) |
|--|---------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 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. Support Staff | 0 | | | | | | |
| 8. | 0 | | | | | | |
| 9. | 0 | | | | | | |
| 10. | 0 | | | | | | |
| 11. | 0 | | | | | | |
| 12. | 0 | | | | | | |
| 13. Subtotal-FQHC Health Care Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. Physician Services Under Agreement | 0 | | | | | | |
| 15. Physician Supervision | 0 | | | | | | |
| 16. | 0 | | | | | | |
| Other Health Care Costs | | | | | | | |
| 17. Pharmacy | 0 | | | | | | |
| 18. Dental | (400) | | | | | (400) | |
| 19. Optometry | 0 | | | | | | |
| 20. Medical Supplies | (1,315) | | (1,315) | | | | |
| 21. Depreciation-Medical Equipment | 0 | | | | | | |
| 22. Professional Liability Insurance | 0 | | | | | | |
| 23. Home Office Pool Cost (from home ofc. cost report-s) | 0 | | | | | | |
| 24. Other (Specify) | 0 | | | | | | |
| 25. Continuing Medical Education | (200) | (200) | | | | | |
| 26. | 0 | | | | | | |
| 27. Subtotal-Other Health Care Costs | (1,915) | (200) | (1,315) | 0 | 0 | (400) | 0 |
| 28. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28) | (1,915) | (200) | (1,315) | 0 | 0 | (400) | 0 |
| FQHC Overhead-Facility Cost | | | | | | | |
| 29. Rent | 0 | | | | | | |
| 30. Insurance | 0 | | | | | | |
| 31. Interest Expense | 0 | | | | | | |
| 32. Utilities | (529) | | | | | | (529) |
| 33. Depreciation-Building | 0 | | | | | | |
| 34. Depreciation-Equipment | 0 | | | | | | |
| 35. Housekeeping And Maintenance | 0 | | | | | | |
| 36. Property Tax | 0 | | | | | | |
| 37. Other (Specify) | 0 | | | | | | |
| 38. Home Office Pool Costs (from HOCR Schedule 6) | 0 | | | | | | |
| 39. | 0 | | | | | | |
| 40. Subtotal-Facility Costs (Lines 30-40) | (529) | 0 | 0 | 0 | 0 | 0 | (529) |
| FQHC Overhead-Administrative Cost | | | | | | | |
| 41. Office Salaries | 0 | | | | | | |
| 42. Depreciation-Office Equipment | 0 | | | | | | |
| 43. Office Supplies | (1,372) | | | (1,372) | | | |
| 44. Legal | 0 | | | | | | |
| 45. Accounting | 0 | | | | | | |
| 46. Insurance (Specify) | 0 | | | | | | |
| 47. Telephone | 0 | | | | | | |
| 48. Fringe Benefits And Payroll Taxes | 0 | | | | | | |
| 49. Home Office Pool Costs (from home ofc. cost report-) | 0 | | | | | | |
| 50. Other Administration Costs | (400) | | | | (400) | | |
| 51. Subtotal-Administrative Costs (Lines 42-51) | (1,772) | 0 | 0 | (1,372) | (400) | 0 | 0 |
| 52. Total Cost Subject To Allocation (Sum of Lines 41 and 52) | (2,301) | 0 | 0 | (1,372) | (400) | 0 | (529) |
| 53. Nonreimbursable Costs (Specify) | 0 | | | | | | |
| 54. | 0 | | | | | | |
| 55. Home Office Pool Costs (from HOCR Schedule 6) | 0 | | | | | | |
| 56. Subtotal Nonreimbursable Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 57. Total FQHC Costs (Sum of Lines 29, 53, and 57) | (4,216) | (200) | (1,315) | (1,372) | (400) | (400) | (529) |

ADJUSTMENTS TO REPORTED COSTS

Provider Name:
ST. JOHN'S WELL CHILD AND FAMILY CENTER -
HYDE PARK

Provider No.
1003068206

Fiscal Period Ended:
DECEMBER 31, 2010

| Cost Center | Adjustment (No.) |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| FQHC Health Care Cost | | | | | | | |
| 1. Physician | | | | | | | |
| 2. Physician Assistant | | | | | | | |
| 3. Nurse Practitioner | | | | | | | |
| 4. Other Nurse | | | | | | | |
| 5. Laboratory Technician | | | | | | | |
| 6. Other (Specify) | | | | | | | |
| 7. Support Staff | | | | | | | |
| 8. | | | | | | | |
| 9. | | | | | | | |
| 10. | | | | | | | |
| 11. | | | | | | | |
| 12. | | | | | | | |
| 13. Subtotal-FQHC Health Care Costs | 0 | 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 Pool Cost (from home ofc. cost report-s | | | | | | | |
| 24. Other (Specify) | | | | | | | |
| 25. Continuing Medical Education | | | | | | | |
| 26. | | | | | | | |
| 27. | | | | | | | |
| 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 | | | | | | | |
| 31. Insurance | | | | | | | |
| 32. Interest Expense | | | | | | | |
| 33. Utilities | | | | | | | |
| 34. Depreciation-Building | | | | | | | |
| 35. Depreciation-Equipment | | | | | | | |
| 36. Housekeeping And Maintenance | | | | | | | |
| 37. Property Tax | | | | | | | |
| 38. Other (Specify) | | | | | | | |
| 39. Home Office Pool Costs (from HOCR Schedule 6) | | | | | | | |
| 40. | | | | | | | |
| 41. Subtotal-Facility Costs (Lines 30-40) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FQHC 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 home ofc. cost report- | | | | | | | |
| 51. Other Administration Costs | | | | | | | |
| 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. Home Office Pool Costs (from HOCR Schedule 6) | | | | | | | |
| 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 Name | | | | | Fiscal Period | Provider Number | | Adjustments |
|---|--------------|------|-------------|------|---|-----------------|---------------------|-------------|
| ST. JOHN'S WELL CHILD AND FAMILY CENTER-HYDE PARK | | | | | JANUARY 1, 2010 THROUGH DECEMBER 31, 2010 | 1003068206 | | 6 |
| Report References | | | | | Explanation of Audit Adjustments | As Reported | Increase (Decrease) | As Adjusted |
| Adj. No. | Audit Report | | Cost Report | | | | | |
| | Schedule | Line | Worksheet | Line | | | | |
| <u>ADJUSTMENTS TO REPORTED COSTS</u> | | | | | | | | |
| 1 | 2A | 26 | 1 | 26 | Continuing Medical Education To eliminate continuing education expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 | \$1,675 | (\$200) | \$1,475 |
| 2 | 2A | 21 | 1 | 21 | Medical Supplies To eliminate medical supplies expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 | \$15,339 | (\$1,315) | \$14,024 |
| 3 | 2A | 44 | 1 | 44 | Office Supplies To eliminate office supplies expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 | \$8,520 | (\$1,372) | \$7,148 |
| 4 | 2A | 51 | 1 | 51 | Other Administration Costs To eliminate other administration expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 | \$2,602 | (\$400) | \$2,202 |
| 5 | 2A | 19 | 1 | 19 | Dental Other To eliminate dental other expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 | \$96,515 | (\$400) | \$96,115 |
| 6 | 2A | 33 | 1 | 33 | Utilities To reconcile the utilities expenses to the provider's documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 | \$19,385 | (\$529) | \$18,856 |