

**REPORT ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
PROSPECTIVE PAYMENT SYSTEM RATE AUDIT**

**EHMAN WOMEN'S CENTER  
BRAWLEY, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1013222785**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

**Audits Section—San Diego  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Patricia M. Fox  
Audit Supervisor: Sergio Gonzalez  
Auditor: Peter Rodriguez**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

August 29, 2013

Gloria G. Santillan  
Chief Financial Officer  
Clinicas De Salud Del Pueblo, Inc.  
1166 K Street  
Brawley, CA 92227

EHMAN WOMEN'S CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI) 1013222785  
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the Clinic's Federally Qualified Health Center (FQHC) Medi-Cal Prospective Payment System (PPS) rate 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 PPS rate cost report, accompanying financial statements, Medi-Cal Provider Claims Data Report, and Medicare audit report for the current fiscal period, if applicable and available.

The PPS rate as presented in Schedule 1 represents 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>
\$174.96	September 22, 2010 through September 30, 2012

In addition, your rate will be increased as follows:

<u>PPS Rate</u>	<u>MEI</u>	<u>Adjusted PPS Rate</u>	<u>Effective Dates</u>
\$174.96	0.6%	\$176.01	October 1, 2012 through September 30, 2013
\$176.01	0.8%	\$177.42	October 1, 2013 through September 30, 2014

We have instructed the Provider Enrollment Division to adjust your Medicare Crossover rate (Code 02) to \$75.84 effective September 1, 2013.

This Audit Report includes the:

1. Computation of Medi-Cal Prospective Payment System Rate (Schedule 1) and supporting schedules
2. Audit adjustments that include a summary of the total due the State in the amount of \$1,832, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) 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 Administrative Hearings and Appeals  
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 Title 22, California Code of Regulations, section 51016, et seq.

Gloria G. Santillan  
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If you have questions regarding this report, you may call the Audits Section—San Diego at (619) 688-3200.

Originally signed by:

Patricia M. Fox, Chief  
Audits Section—San Diego  
Financial Audits Branch

Certified

## COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE

**Provider Name:** **NPI:** **Fiscal Period Ended:**  
**EHMAN WOMEN'S CENTER** **1013222785** **DECEMBER 31, 2011**

PART A - DETERMINATION OF OVERHEAD APPLICABLE TO MEDICAL SERVICES	REPORTED	AUDITED
1. Total FQHC Health Care Services Cost (Sch 2, L 29)	\$ 1,030,688	\$ 1,030,688
2. Nonreimbursable FQHC Costs Excluding Overhead (Sch 2, L 57)	31,960	31,960
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 1,062,648	\$ 1,062,648
4. Percentage of Nonreimbursable FQHC Costs (L A2 / L A3)	0.030076	0.030076
5. Total Overhead (Sch 2, L 53)	\$ 610,413	\$ 608,970
6. Overhead Applicable to Nonreimbursable FQHC Costs (L A4 * L A5)	18,359	18,315
7. Overhead Applicable to FQHC Services (L A5 - L A6)	592,054	590,655
8. Total Cost of FQHC Services (L A1 + L A7)	\$ 1,622,742	\$ 1,621,343
PART B - DETERMINATION OF FQHC RATE		
1. Total FQHC Costs (L A8)	\$ 1,622,742	\$ 1,621,343
2. Total FQHC Visits (Adj 2)	9,262	9,267
3. Total FQHC/RHC Nonreimbursable Services Visits (Adj )	0	0
4. Total FQHC/RHC Adjusted Visits (L B2 - L B3)	9,262	9,267
5. FQHC/RHC PPS Rate Per Visit (L B1 / L B4)	\$ 175.20	\$ 174.96
PART C - MEDI-CAL OVERPAYMENTS		
1. Medi-Cal Credit Balances (Adj 3)	\$ 0	\$ 1,832

## SCHEDULE OF TRIAL BALANCE EXPENSES

Provider Name:

NPI:

Fiscal Period Ended:

EHMAN WOMEN'S CENTER

1013222785

DECEMBER 31, 2011

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC/RHC Health Care Cost</b>			
1. Physician	\$301,634	\$0	\$301,634
2. Physician Assistant	150,150	0	150,150
3. Nurse Practitioner	44,200	0	44,200
4. Other Nurse	126,098	0	126,098
5. Laboratory Technician	224	0	224
6. Education and Outreach	0	0	0
7. Case Management	0	0	0
8. Other Medical	82,269	0	82,269
9. Medical Records	78,044	0	78,044
10. Support Staff	0	0	0
11. Mental Health	0	0	0
12. Other (specify)	0	0	0
13. Subtotal-FQHC Health Care Costs (lines 1-12)	\$782,619	\$0	\$782,619
14. Physician Services Under Agreement	\$79,377	\$0	\$79,377
15. Physician Supervision	0	0	0
16.	0	0	0
<b>17. Other Health Care Costs</b>			
18. Pharmacy	\$31,989	\$0	\$31,989
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	22,365	0	22,365
22. Depreciation-Medical Equipment	8,718	0	8,718
23. Professional Liability Insurance	2,205	0	2,205
24. Home Office Direct Cost (from HO CR)	0	0	0
25. Laboratory	0	0	0
26. Radiology	78,400	0	78,400
27. All Other Costs	25,015	0	25,015
28. Subtotal-Other Health Care Costs (lines 18-27)	\$168,692	\$0	\$168,692
29. Total Health Care Costs (Sum of Lines 13, 14-16, and 28)	\$1,030,688	\$0	\$1,030,688
<b>FQHC/RHC Overhead-Facility Cost</b>			
30. Rent	\$83,008	(\$1,443)	\$81,565
31. Insurance	8,662	0	8,662
32. Interest Expense	0	0	0
33. Utilities	16,063	0	16,063
34. Depreciation-Building	12,055	0	12,055
35. Depreciation-Equipment	0	0	0
36. Housekeeping and Maintenance	21,425	0	21,425
37. Property Tax	0	0	0
38. Minor Equipment	18,646	0	18,646
39. Home Office Pooled Costs	31,299	0	31,299
40. All Other Costs	10,958	0	10,958
41. Subtotal-Facility Costs (Lines 30-40)	\$202,116	(\$1,443)	\$200,673
<b>FQHC/RHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$104,004	\$0	\$104,004
43. Depreciation-Office Equipment	33,651	0	33,651
44. Office Supplies	14,121	0	14,121
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance (specify): Vehicle	0	0	0
48. Telephone	14,236	0	14,236
49. Fringe Benefits And Payroll Taxes	0	0	0
50. Home Office Pooled Costs	225,703	0	225,703
51. All Other Costs	16,582	0	16,582
52. Subtotal-Administrative Costs (Lines 42-51)	\$408,297	\$0	\$408,297
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$610,413	(\$1,443)	\$608,970
54. Nonreimbursable Costs (specify): Salaries	\$0	\$0	\$0
55. Fringe Benefits and Payroll Taxes	0	0	0
56. Cost from Home Office	31,960	0	31,960
57. Subtotal Nonreimbursable Costs	\$31,960	\$0	\$31,960
58. Total Costs (Sum of Lines 29, 53, and 57)	\$1,673,061	(\$1,443)	\$1,671,618

ADJUSTMENTS TO REPORTED COSTS

Provider Name:

NPI:

Fiscal Period Ended:

EHMAN WOMEN'S CENTER

1013222785

DECEMBER 31, 2011

Cost Center	Total	Adjustment 1	Adjustment	Adjustment	Adjustment	Adjustment	Adjustment
<b>FQHC/RHC 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	0						
9. Medical Records	0						
10. Support Staff	0						
11. Mental Health	0						
12. Other (specify)	0						
13. Subtotal-FQHC Health Care Costs (lines 1-12)	0	0	0	0	0	0	0
14. Physician Services Under Agreement	0						
15. Physician Supervision	0						
16.	0						
<b>Other Health Care Costs</b>							
17. Pharmacy	0						
18. Dental	0						
19. Optometry	0						
20. Medical Supplies	0						
21. Depreciation-Medical Equipment	0						
22. Professional Liability Insurance	0						
23. Home Office Direct Cost (from HO CR)	0						
24. Laboratory	0						
25. Radiology	0						
26. All Other Costs	0						
27. Subtotal-Other Health Care Costs (lines 18-27)	0	0	0	0	0	0	0
28. Total Health Care Costs (Sum of Lines 13, 14-16, and 28)	0	0	0	0	0	0	0
<b>FQHC/RHC Overhead-Facility Cost</b>							
29. Rent	(1,443)	(1,443)					
30. Insurance	0						
31. Interest Expense	0						
32. Utilities	0						
33. Depreciation-Building	0						
34. Depreciation-Equipment	0						
35. Housekeeping and Maintenance	0						
36. Property Tax	0						
37. Minor Equipment	0						
38. Home Office Pooled Costs	0						
39. All Other Costs	0						
40. Subtotal-Facility Costs (Lines 30-40)	(1,443)	(1,443)	0	0	0	0	0
<b>FQHC/RHC Overhead-Administrative Cost</b>							
41. Office Salaries	0						
42. Depreciation-Office Equipment	0						
43. Office Supplies	0						
44. Legal	0						
45. Accounting	0						
46. Insurance (specify): Vehicle	0						
47. Telephone	0						
48. Fringe Benefits And Payroll Taxes	0						
49. Home Office Pooled Costs	0						
50. All Other Costs	0						
51. Subtotal-Administrative Costs (Lines 42-51)	0	0	0	0	0	0	0
52. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(1,443)	(1,443)	0	0	0	0	0
53. Nonreimbursable Costs (specify): Salaries	0						
54. Fringe Benefits and Payroll Taxes	0						
55. Cost from Home Office	0						
56. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
57. Total Costs (Sum of Lines 29, 53, and 57)	(1,443)	(1,443)	0	0	0	0	0

ADJUSTMENTS TO REPORTED COSTS

Provider Name:

NPI:

Fiscal Period Ended:

EHMAN WOMEN'S CENTER

1013222785

DECEMBER 31, 2011

Cost Center	Adjustment						
<b>FQHC/RHC 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							
9. Medical Records							
10. Support Staff							
11. Mental Health							
12. Other (specify)							
13. Subtotal-FQHC Health Care Costs (lines 1-12)	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 CR)							
24. Laboratory							
25. Radiology							
26. All Other Costs							
27. Subtotal-Other Health Care Costs (lines 18-27)	0	0	0	0	0	0	0
28. Total Health Care Costs (Sum of Lines 13, 14-16, and 28)	0	0	0	0	0	0	0
<b>FQHC/RHC Overhead-Facility Cost</b>							
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 Pooled Costs							
39. All Other Costs							
40. Subtotal-Facility Costs (Lines 30-40)	0	0	0	0	0	0	0
<b>FQHC/RHC Overhead-Administrative Cost</b>							
41. Office Salaries							
42. Depreciation-Office Equipment							
43. Office Supplies							
44. Legal							
45. Accounting							
46. Insurance (specify): Vehicle							
47. Telephone							
48. Fringe Benefits And Payroll Taxes							
49. Home Office Pooled Costs							
50. All Other Costs							
51. Subtotal-Administrative Costs (Lines 42-51)	0	0	0	0	0	0	0
52. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	0	0	0	0	0	0	0
53. Nonreimbursable Costs (specify): Salaries							
54. Fringe Benefits and Payroll Taxes							
55. Cost from Home Office							
56. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
57. Total Costs (Sum of Lines 29, 53, and 57)	0	0	0	0	0	0	0

Provider Name					Fiscal Period		NPI		Adjustments
EHMAN WOMEN'S CENTER					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1013222785		3
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 REPORTED COSTS</u></b>									
1	2A	30	1	30	Rent		\$83,008	(\$1,443)	\$81,565
					To eliminate lease expense due to lack of documentation.				
					42 CFR 405.2470				
					CMS Pub. 15-1, Sections 2300 and 2304				

Provider Name					Fiscal Period		NPI		Adjustments
EHMAN WOMEN'S CENTER					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1013222785		3
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 REPORTED VISITS</u></b>									
2	1	B2	2	B2	Total FQHC/RHC Visits To adjust total FQHC visits to agree with provider's records. 42 CFR 405.2463 and 405.2470 CMS Pub. 15-1, Sections 2300 and 2304		9,262	5	9,267

Provider Name				Fiscal Period		NPI		Adjustments	
EHMAN WOMEN'S CENTER				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1013222785		3	
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Worksheet						Line
<u>ADJUSTMENT TO OTHER MATTERS</u>									
3	1	C1	N/A	Medi-Cal Credit Balances To recover outstanding Medi-Cal credit balances. CCR, Title 22, Section 51458.1		\$0	\$1,832	\$1,832	