

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

**HUNTINGTON PARK FAMILY HEALTH CENTER
HUNTINGTON PARK, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1669799896**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**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**

Paul Ramos
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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

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, please contact Audits Section – Gardena Auditor, at (310) 516-4757.

Sincerely,

Original Signed By:

Maria Delgado, Chief
Audits Section Gardena
Financial Audits Branch

Enclosure
Certified

COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE

Provider Name:
HUNTINGTON PARK FAMILY HEALTH
CENTER

Provider No.
1669799896

Fiscal Period Ended:
12/31/2011

PART A - DETERMINATION OF OVERHEAD APPLICABLE TO FQHC SERVICES

	REPORTED	AUDITED
1. Cost of FQHC Services Excluding Overhead (Sch 2, L 29)	\$ 1,082,534	\$ 1,077,373
2. Nonreimbursable FQHC Costs Excluding Overhead (Sch 2, L 57)	102,026	105,226
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 1,184,560	\$ 1,182,599
4. Percentage of Nonreimbursable FQHC Costs (L A2 / L A3)	0.086130	0.088979
5. Total Overhead (Sch 2, L 53)	\$ 1,186,385	\$ 1,149,704
6. Overhead Applicable to Nonreimbursable FQHC Costs (L A4 * L A5)	102,183	102,299
7. Overhead Applicable to FQHC Services (L A5 - L A6)	1,084,202	1,047,405
8. Total Cost of FQHC Services (L A1 + L A7)	\$ 2,166,736	\$ 2,124,778

PART B - DETERMINATION OF FQHC RATE

1. Total FQHC Costs (L A8)	\$ 2,166,736	\$ 2,124,778
2. Total FQHC Visits (Adj No. 13)	13,363	13,413
3. Total FQHC Nonreimbursable Services Visits (Adj No)	223	223
4. Total FQHC Adjusted Visits (L B2 - L B3)	13,140	13,190
5. FQHC PPS Rate Per Visit (L B1 / L B4)	\$ 164.90	\$ 161.09

SCHEDULE OF TRIAL BALANCE EXPENSE

Provider Name: HUNTINGTON PARK FAMILY HEALTH CENTER
Provider No.: 1669799896
Fiscal Period Ended: 12/31/2011

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
FQHC Health Care Cost			
1. Physician	\$184,796	\$0	\$184,796
2. Physician Assistant	54,047	0	54,047
3. Nurse Practitioner	0	0	0
4. Other Nurse	102,425	0	102,425
5. Laboratory Technician	0	0	0
6. Mental Health and Social Services	0	0	0
7. Support Staff	126,327	0	126,327
8. Medical Records	26,204	0	26,204
9. CPSP Health Educator	153,956	0	153,956
10.	0	0	0
11.	0	0	0
12.	0	0	0
13. Subtotal-FQHC Health Care Costs	\$647,755	\$0	\$647,755
14. Physician Services Under Agreement	\$352,224	\$0	\$352,224
15. Physician Supervision	0	0	0
16. Other Health Care Costs	16,269	0	16,269
17. Other Health Care Costs			
18. Pharmacy	\$0	\$0	\$0
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	32,476	0	32,476
22. Depreciation-Medical Equipment	14,216	(5,161)	9,055
23. Professional Liability Insurance	0	0	0
24. Home Office Pool Costs (from HOCR Schedule 6)	19,594	0	19,594
25. Lab and Radiology	0	0	0
26. Continuing Medical Education	0	0	0
27. Minor Medical Equipment / RM	0	0	0
28. Subtotal-Other Health Care Costs	\$66,286	(\$5,161)	\$61,125
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$1,082,534	(\$5,161)	\$1,077,373
FQHC Overhead-Facility Cost			
30. Rent	\$265,913	(\$10,200)	\$255,713
31. Insurance	0	0	0
32. Interest Expense	0	0	0
33. Utilities	11,528	0	11,528
34. Depreciation-Building	0	603	603
35. Depreciation-Equipment	0	821	821
36. Housekeeping And Maintenance	99,015	(10,324)	88,691
37. Property Tax	0	0	0
38. Minor Equipment	8,077	(5,183)	2,894
39. Home Office Pool Costs (from HOCR Schedule 6)	228,105	0	228,105
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$612,638	(\$24,283)	\$588,355
FQHC Overhead-Administrative Cost			
42. Office Salaries	\$75,068	\$0	\$75,068
43. Depreciation-Office Equipment	0	0	0
44. Office Supplies	23,876	0	23,876
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance	0	0	0
48. Telephone	1,911	0	1,911
49. Fringe Benefits And Payroll Taxes	0	0	0
50. Home Office Pool Costs (from HOCR Schedule 6)	447,404	0	447,404
51. Other Administrative Costs	25,488	(12,398)	13,090
52. Subtotal-Administrative Costs (Lines 42-51)	\$573,747	(\$12,398)	\$561,349
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$1,186,385	(\$36,681)	\$1,149,704
54. Outreach	\$5,760	\$0	\$5,760
55. Home Office Pool Costs (from HOCR Schedule 6)	81,899	0	81,899
56. Health Education	14,367	3,200	17,567
57. Subtotal Nonreimbursable Costs	\$102,026	\$3,200	\$105,226
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$2,370,945	(\$38,642)	\$2,332,303

ADJUSTMENTS TO REPORTED COSTS

Provider Name:

Provider No.

Fiscal Period Ended:

HUNTINGTON PARK FAMILY HEALTH CENTER

1669799896

12/31/2011

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. Mental Health and Social Services	0						
7. Support Staff	0						
8. Medical Records	0						
9. CPSP Health Educator	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. Other Health Care Costs	0						
17. Other Health Care Costs							
18. Pharmacy	0						
19. Dental	0						
20. Optometry	0						
21. Medical Supplies	0						
22. Depreciation-Medical Equipment	(5,161)						
23. Professional Liability Insurance	0						
24. Home Office Pool Costs (from HOCR Schedule 6)	0						
25. Lab and Radiology	0						
26. Continuing Medical Education	0						
27. Minor Medical Equipment / RM	0						
28. Subtotal-Other Health Care Costs	(5,161)	0	0	0	0	0	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(5,161)	0	0	0	0	0	0
FQHC Overhead-Facility Cost							
30. Rent	(10,200)						
31. Insurance	0						
32. Interest Expense	0						
33. Utilities	0						
34. Depreciation-Building	603			603			
35. Depreciation-Equipment	821						821
36. Housekeeping And Maintenance	(10,324)		(9,875)		(449)		
37. Property Tax	0						
38. Minor Equipment	(5,183)					(5,183)	
39. Home Office Pool Costs (from HOCR Schedule 6)	0						
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	(24,283)	0	(9,875)	603	(449)	(5,183)	821
FQHC Overhead-Administrative Cost							
42. Office Salaries	0						
43. Depreciation-Office Equipment	0						
44. Office Supplies	0						
45. Legal	0						
46. Accounting	0						
47. Insurance	0						
48. Telephone	0						
49. Fringe Benefits And Payroll Taxes	0						
50. Home Office Pool Costs (from HOCR Schedule 6)	0						
51. Other Administrative Costs	(12,398)	(3,200)					
52. Subtotal-Administrative Costs (Lines 42-51)	(12,398)	(3,200)	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(36,681)	(3,200)	(9,875)	603	(449)	(5,183)	821
54. Outreach	0						
55. Home Office Pool Costs (from HOCR Schedule 6)	0						
56. Health Education	3,200	3,200					
57. Subtotal Nonreimbursable Costs	3,200	3,200	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(38,642)	0	(9,875)	603	(449)	(5,183)	821

ADJUSTMENTS TO REPORTED COSTS

Provider Name:

Provider No.

Fiscal Period Ended:

HUNTINGTON PARK FAMILY HEALTH CENTER

1669799896

12/31/2011

Cost Center	Adjustment (No. 7)	Adjustment (No. 8)	Adjustment (No. 9)	Adjustment (No. 10)	Adjustment (No. 11)	Adjustment (No. 12)	Adjustment (No.)
FQHC Health Care Cost							
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Laboratory Technician							
6. Mental Health and Social Services							
7. Support Staff							
8. Medical Records							
9. CPSP Health Educator							
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. Other Health Care Costs							
18. Pharmacy							
19. Dental							
20. Optometry							
21. Medical Supplies							
22. Depreciation-Medical Equipment	(5,161)						
23. Professional Liability Insurance							
24. Home Office Pool Costs (from HOCR Schedule 6)							
25. Lab and Radiology							
26. Continuing Medical Education							
27. Minor Medical Equipment / RM							
28. Subtotal-Other Health Care Costs	(5,161)	0	0	0	0	0	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(5,161)	0	0	0	0	0	0
FQHC Overhead-Facility Cost							
30. Rent				(10,200)			
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 HOCR Schedule 6)							
40.							
41. Subtotal-Facility Costs (Lines 30-40)	0	0	0	(10,200)	0	0	0
FQHC Overhead-Administrative Cost							
42. Office Salaries							
43. Depreciation-Office Equipment							
44. Office Supplies							
45. Legal							
46. Accounting							
47. Insurance							
48. Telephone							
49. Fringe Benefits And Payroll Taxes							
50. Home Office Pool Costs (from HOCR Schedule 6)							
51. Other Administrative Costs		(2,175)	(2,962)		(677)	(3,384)	
52. Subtotal-Administrative Costs (Lines 42-51)	0	(2,175)	(2,962)	0	(677)	(3,384)	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	0	(2,175)	(2,962)	(10,200)	(677)	(3,384)	0
54. Outreach							
55. Home Office Pool Costs (from HOCR Schedule 6)							
56. Health Education							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(5,161)	(2,175)	(2,962)	(10,200)	(677)	(3,384)	0

Provider Name					Fiscal Period	Provider Number		Adjustments	
HUNTINGTON PARK FAMILY HEALTH CENTER					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1669799896		13	
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Worksheet	Line					
<u>RECLASSIFICATION OF REPORTED COSTS</u>									
1	2A	51	1	51	Other Administrative Costs	\$25,488	(\$3,200)	\$22,288	*
	2A	56	1	56	Health Education	14,367	3,200	17,567	
To reclassify CPSP and outreach expenses to the appropriate cost center for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.1									

*Balance carried forward from prior/to subsequent adjustment

Provider Name					Fiscal Period	Provider Number		Adjustments
HUNTINGTON PARK FAMILY HEALTH CENTER					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1669799896		13
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Worksheet	Line				
ADJUSTMENTS TO REPORTED COSTS								
2	2A	36	1	36	Housekeeping and Maintenance To eliminate expense on assets that should have been capitalized. 42 CFR 413.130 CMS Pub. 15-1, Sections 104.1, 108.1 and 2300	\$99,015	(\$9,875)	\$89,140 *
3	2A	34	1	34	Depreciation - Building To include depreciation expense on the assets to be capitalized in conjunction with Adjustment No. 2. 42 CFR 413.134 / CMS Pub. 15-1, Sections 108.1 and 2300	\$0	\$603	\$603
4	2A	36	1	36	Housekeeping and Maintenance To adjust housekeeping and maintenance expenses to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	* \$89,140	(\$449)	\$88,691
5	2A	38	1	38	Minor Equipment To eliminate expense on assets that should have been capitalized. 42 CFR 413.130 CMS Pub. 15-1, Sections 104.1, 108.1 and 2300	\$8,077	(\$5,183)	\$2,894
6	2A	35	1	35	Depreciation - Equipment To include depreciation expense on the assets to be capitalized in conjunction with Adjustment No. 5. 42 CFR 413.134 / CMS Pub. 15-1 Sections 108.1 and 2300	\$0	\$821	\$821
7	2A	22	1	22	Depreciation - Medical Equipment To adjust depreciation expense to the straight line basis. CMS Pub. 15-1, Sections 116 and 120	\$14,216	(\$5,161)	\$9,055

*Balance carried forward from prior/to subsequent adjustments

Provider Name					Fiscal Period	Provider Number		Adjustments	
HUNTINGTON PARK FAMILY HEALTH CENTER					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1669799896		13	
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Worksheet	Line					
ADJUSTMENTS TO REPORTED COSTS									
8	2A	51	1	51	Other Administrative Costs To eliminate other administrative costs due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1 Section 2304 W & I Code 14124.2(b)	*	\$22,288	(\$2,175)	\$20,113 *
9	2A	51	1	51	Other Administrative Costs To eliminate other administrative costs due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2304	*	\$20,113	(\$2,962)	\$17,151 *
10	2A	30	1	30	Rent To reconcile the provider's reported rent expenses to agree with the provider's lease agreement. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2304		\$265,913	(\$10,200)	\$255,713
11	2A	51	1	51	Other Administrative Costs To adjust other taxes and licensing expenses to agree with expenses applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	*	\$17,151	(\$677)	\$16,474 *
12	2A	51	1	51	Other Administrative Costs To eliminate mileage expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$16,474	(\$3,384)	\$13,090

Provider Name					Fiscal Period	Provider Number		Adjustments
HUNTINGTON PARK FAMILY HEALTH CENTER					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1669799896		13
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 REPORTED TOTAL VISITS</u>								
13	1	2	2	4	Total FQHC Visits To adjust total FQHC visits to agree with provider's records. 42 CFR 405.2465 and 405.2470 CMS Pub. 15-1, Sections 2300 and 2304	13,363	50	13,413