

**REPORT  
ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
RATE SETTING COST REPORT AUDIT  
COMMUNITY HEALTH CENTER - ARBOR  
NPI: 1174859425**

**FISCAL PERIOD ENDED  
JUNE 30, 2011**

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

**Section Chief: Michael Harrold  
Auditor: Sandy Feng**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

March 3, 2014

Bob Lotwala, CFO  
Community Health Centers of the Central Coast, Inc.  
150 Tejas Place  
Nipomo, CA 98446

PROVIDER: COMMUNITY HEALTH CENTER – ARBOR  
NATIONAL PROVIDER IDENTIFIER: 1174859425  
FISCAL PERIOD ENDED: JUNE 30, 2011

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>
\$164.57	January 7, 2010

In addition, your rate will be increased to:

- \$166.54, effective October 1, 2010
- \$167.21, effective October 1, 2011
- \$168.21, effective October 1, 2012
- \$169.56, effective October 1, 2013

To reflect the MEI increases of 1.2%, .4%, .6%, and .8% respectively.

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

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

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 California Code of Regulations, Title 22, Section 51016, et seq

Bob Lotwala  
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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 Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

COMMUNITY HEALTH CENTER - ARBOR 1174859425

JUNE 30, 2011

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

	REPORTED	AUDITED
1. Cost of Services Excluding Overhead (Sch 2, L 29)	\$ 2,112,743	\$ 1,969,568
2. Nonreimbursable Costs Excluding Overhead (Sch 2, L 57)	30,207	30,207
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 2,142,950	\$ 1,999,775
4. Percentage of Nonreimbursable Costs (L A2 / L A3)	0.014096	0.015105
5. Total Overhead (Sch 2, L 53)	\$ 1,377,692	\$ 1,235,407
6. Overhead Applicable to Nonreimbursable Costs (L A4 * L A5)	19,420	18,661
7. Overhead Applicable to Medical Services (L A5 - L A6)	1,358,272	1,216,746
8. Total Cost of Medical Services (L A1 + L A7)	\$ 3,471,015	\$ 3,186,314

## PART B - DETERMINATION OF PPS RATE

1. Total Medical Costs (L A8)	\$ 3,471,015	\$ 3,186,314
2. Total FQHC Visits (Adj No 23)	17,621	19,361
3. Total Nonreimbursable Services Visits (Adj No )	0	0
4. FQHC Adjusted Visits (L B2 - L B3)	17,621	19,361
5. FQHC PPS Rate Per Visit (L B1 / L B4)	\$ 196.98	\$ 164.57

## SCHEDULE OF TRIAL BALANCE EXPENSES

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

COMMUNITY HEALTH CENTER - ARBOR

1174859425

JUNE 30, 2011

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	ACCEPTED AS FILED
<b>FQHC Health Care Cost</b>			
1. Physician	\$676,951	\$21,729	\$698,680
2. Physician Assistant	0	0	0
3. Nurse Practitioner	188,833	0	188,833
4. Other Nurse	102,754	0	102,754
5. Laboratory Technician	0	0	0
6. Education & Outreach	64,920	0	64,920
7. Case Management	50,010	0	50,010
8. Other Medical	0	0	0
9. Medical Records	41,940	0	41,940
10. Support Staff	286,760	0	286,760
11. Mental Health	0	0	0
12. Other (Specify) Fringe Benefits	320,163	(1,224)	318,939
13. Subtotal-FQHC Health Care Costs	\$1,732,331	\$20,505	\$1,752,836
14. Physician Services Under Agreement	\$50,461	(\$48,336)	\$2,125
15. Physician Supervision	0	0	0
16.	0	0	0
<b>17. Other Health Care Costs</b>			
18. Pharmacy	\$7,041	\$0	\$7,041
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	115,252	(3,124)	112,128
22. Depreciation-Medical Equipment	52,768	(51,107)	1,661
23. Professional Liability Insurance	22,927	(1,074)	21,853
24. Home Office Direct Cost (schedule 6)	16,213	0	16,213
25. Laboratory	30,592	0	30,592
26. Radiology	3,729	0	3,729
27. Other (Specify) Fringe Benefits	81,429	(60,039)	21,390
28. Subtotal-Other Health Care Costs	\$329,951	(\$115,344)	\$214,607
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$2,112,743	(\$143,175)	\$1,969,568
<b>FQHC Overhead-Facility Cost</b>			
30. Rent	\$211,498	\$0	\$211,498
31. Insurance	0	0	0
32. Interest on Mortgage or Loans	0	0	0
33. Utilities	25,976	0	25,976
34. Depreciation-Building	33,333	(11,315)	22,018
35. Depreciation-Equipment	0	0	0
36. Housekeeping and Maintenance	33,158	0	33,158
37. Property Tax	3,560	(3,560)	0
38. Other (Custodial Fees)	0	0	0
39. Home Office Direct Cost	0	0	0
40. Other (Specify) Schedule 1	103,307	(12,383)	90,924
41. Subtotal-Facility Costs (Lines 30-40)	\$410,832	(\$27,258)	\$383,574
<b>FQHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$156,037	\$0	\$156,037
43. Depreciation-Office Equipment	0	0	0
44. Office Supplies	43,375	(15,299)	28,076
45. Legal	0	0	0
46. Accounting/Admin. Consultants	31,884	(25,607)	6,277
47. Insurance (specify)	0	0	0
48. Telephone	24,028	0	24,028
49. Fringe Benefits/Payroll Taxes	37,019	(142)	36,877
50. Home Office Pool Costs (from home ofc. cost report-sch 6)	639,521	(73,979)	565,542
51. Other (Specify) Schedule 2	34,996	0	34,996
52. Subtotal-Administrative Costs (Lines 42-51)	\$966,860	(\$115,027)	\$851,833
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$1,377,692	(\$142,285)	\$1,235,407
54. Nonreimbursable Costs (Health Education)	\$0	\$0	\$0
55. Health Promotion	30,207	0	30,207
56.	0	0	0
57. Subtotal Nonreimbursable Costs	\$30,207	\$0	\$30,207
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$3,520,642	(\$285,460)	\$3,235,182

ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name	Provider No. (NPI)	Fiscal Period Ended					
COMMUNITY HEALTH CENTER - ARBOR	1174859425	JUNE 30, 2011					
Cost Center	Total	Adjustment (No. 1)	Adjustment (No. 2-6)	Adjustment (No. 7-9)	Adjustment (No. 10)	Adjustment (No. 11)	Adjustment (No. 12)
<b>FQHC Health Care Cost</b>							
1. Physician	21,729						
2. Physician Assistant	0						
3. Nurse Practitioner	0						
4. Other Nurse	0						
5. Laboratory Technician	0						
6. Education & 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) Fringe Benefits	(1,224)						
13. Subtotal-FQHC Health Care Costs	20,505	0	0	0	0	0	0
14. Physician Services Under Agreement	(48,336)						
15. Physician Supervision	0						
16.	0						
<b>17. Other Health Care Costs</b>							
18. Pharmacy	0						
19. Dental	0						
20. Optometry	0						
21. Medical Supplies	(3,124)						(3,124)
22. Depreciation-Medical Equipment	(51,107)						
23. Professional Liability Insurance	(1,074)				(1,074)		
24. Home Office Direct Cost (schedule 6)	0						
25. Laboratory	0						
26. Radiology	0						
27. Other (Specify) Fringe Benefits	(60,039)	(59,960)					
28. Subtotal-Other Health Care Costs	(115,344)	(59,960)	0	0	(1,074)	0	(3,124)
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(143,175)	(59,960)	0	0	(1,074)	0	(3,124)
<b>FQHC Overhead-Facility Cost</b>							
30. Rent	0						
31. Insurance	0						
32. Interest on Mortgage or Loans	0						
33. Utilities	0						
34. Depreciation-Building	(11,315)						
35. Depreciation-Equipment	0						
36. Housekeeping and Maintenance	0						
37. Property Tax	(3,560)						
38. Other (Custodial Fees)	0						
39. Home Office Direct Cost	0						
40. Other (Specify) Schedule 1	(12,383)	59,960		(72,343)			
41. Subtotal-Facility Costs (Lines 30-40)	(27,258)	59,960	0	(72,343)	0	0	0
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries	0						
43. Depreciation-Office Equipment	0						
44. Office Supplies	(15,299)					(15,299)	
45. Legal	0						
46. Accounting/Admin. Consultants	(25,607)		(25,607)				
47. Insurance (specify)	0						
48. Telephone	0						
49. Fringe Benefits/Payroll Taxes	(142)						
50. Home Office Pool Costs (from home ofc. cost report-sch 6)	(73,979)						
51. Other (Specify) Schedule 2	0						
52. Subtotal-Administrative Costs (Lines 42-51)	(115,027)	0	(25,607)	0	0	(15,299)	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(142,285)	59,960	(25,607)	(72,343)	0	(15,299)	0
54. Nonreimbursable Costs (Health Education)	0						
55. Health Promotion	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)	(285,460)	0	(25,607)	(72,343)	(1,074)	(15,299)	(3,124)

ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name	Provider No.				Fiscal Period Ended		
COMMUNITY HEALTH CENTER - ARBOR	1174859425				JUNE 30, 2011		
Cost Center	Adjustment (No. 13)	Adjustment (No. 14)	Adjustment (No. 15-16)	Adjustment (No. 17)	Adjustment (No. 18)	Adjustment (No. 19)	Adjustment (No. 20-22)
<b>FQHC Health Care Cost</b>						21,729	
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Laboratory Technician							
6. Education & Outreach							
7. Case Management							
8. Other Medical							
9. Medical Records							
10. Support Staff							
11. Mental Health							
12. Other (Specify) Fringe Benefits	(1,224)						
13. Subtotal-FQHC Health Care Costs	(1,224)	0	0	0	0	21,729	0
14. Physician Services Under Agreement							(48,336)
15. Physician Supervision							
16.							
<b>17. Other Health Care Costs</b>							
18. Pharmacy							
19. Dental							
20. Optometry							
21. Medical Supplies							
22. Depreciation-Medical Equipment			(51,107)				
23. Professional Liability Insurance							
24. Home Office Direct Cost (schedule 6)							
25. Laboratory							
26. Radiology							
27. Other (Specify) Fringe Benefits	(79)						
28. Subtotal-Other Health Care Costs	(79)	0	(51,107)	0	0	0	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(1,303)	0	(51,107)	0	0	21,729	(48,336)
<b>FQHC Overhead-Facility Cost</b>							
30. Rent							
31. Insurance							
32. Interest on Mortgage or Loans							
33. Utilities							
34. Depreciation-Building				(11,315)			
35. Depreciation-Equipment							
36. Housekeeping and Maintenance							
37. Property Tax					(3,560)		
38. Other (Custodial Fees)							
39. Home Office Direct Cost							
40. Other (Specify) Schedule 1							
41. Subtotal-Facility Costs (Lines 30-40)	0	0	0	(11,315)	(3,560)	0	0
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries							
43. Depreciation-Office Equipment							
44. Office Supplies							
45. Legal							
46. Accounting/Admin. Consultants							
47. Insurance (specify)							
48. Telephone							
49. Fringe Benefits/Payroll Taxes	(142)						
50. Home Office Pool Costs (from home ofc. cost report-sch 6)		(73,979)					
51. Other (Specify) Schedule 2							
52. Subtotal-Administrative Costs (Lines 42-51)	(142)	(73,979)	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(142)	(73,979)	0	(11,315)	(3,560)	0	0
54. Nonreimbursable Costs (Health Education)							
55. Health Promotion							
56.							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(1,445)	(73,979)	(51,107)	(11,315)	(3,560)	21,729	(48,336)

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
COMMUNITY HEALTH CENTER - ARBOR					JULY 1, 2010 THROUGH JUNE 30, 2011	1174859425		23
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Worksheet	Line				
<b><u>RECLASSIFICATION TO REPORTED COSTS</u></b>								
1	2A	27	1	27	Other - Fringe Benefits	\$81,429	(\$59,960)	\$21,469 *
	2A	40	1	40	Other - Schedule 1	103,307	59,960	163,267 *
To reclassify software consultation services expense to the appropriate cost center for proper cost determination. 42 CFR 405.2464, 405.2468, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								

\*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name				Fiscal Period		Provider Number (NPI)		Adjustments		
COMMUNITY HEALTH CENTER - ARBOR				JULY 1, 2010 THROUGH JUNE 30, 2011		1174859425		23		
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report		Cost Report							
	Schedule	Line	Worksheet							Line
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
	2A	46	1	46	Accounting/Admin. Consultants	\$31,884				
2					To eliminate prior year's accounting expense. 42 CFR 405.2468, 405.2470, 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(\$5,740)			
3					To eliminate auditing expense that does not belong to the facility under audit. 42 CFR 405.2468, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(10,000)			
4					To eliminate internet service expenses that do not belong to the facility and period under audit. 42 CFR 405.2468, 405.2470, 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(3,200)			
5					To eliminate software expenses that should have been capitalized. 42 CFR 405.2468, 413.134, 413.20 and 413.24 CMS Pub. 15-1, Sections 108, 108.1, 2300 and 2304		(10,000)			
6					To include depreciation expense related to assets that should have been capitalized in conjunction with adjustment 5. 42 CFR 405.2468, 413.134, 413.20 and 413.24 CMS Pub. 15-1, Sections 108, 108.1, 2300 and 2304		<u>3,333</u> (\$25,607)		\$6,277	

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments	
COMMUNITY HEALTH CENTER - ARBOR					JULY 1, 2010 THROUGH JUNE 30, 2011	1174859425		23	
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report		Cost Report						
	Schedule	Line	Worksheet	Line					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>									
	2A	40	1	40	Other - Schedule 1	*	\$163,267		
7					To eliminate software consultation services expense that should have been capitalized. 42 CFR 405.2468, 413.134, 413.20 and 413.24 CMS Pub. 15-1, Section 104, 104.17, 108, 108.1, 2300 and 2304			(\$21,165)	
8					To eliminate software expenses related to assets that should have been capitalized. 42 CFR 405.2468, 413.134, 413.20 and 413.24 CMS Pub. 15-1, Section 108, 108.1, 2300 and 2304			(5,280)	
9					To eliminate equipment lease expense to be substituted with cost of ownership. 42 CFR 405.2468, 413.20, 413.24, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 104, 104.9, 104.10, 104.17, 104.23, 110(B), 122, 2300 and 2304			(45,898) (\$72,343)	\$90,924
10	2A	23	1	23	Professional Liability Insurance To adjust malpractice insurance expense to agree with the provider's records. 42 CFR 405.2468, 405.2470, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$22,927	(\$1,074)	\$21,853
11	2A	44	1	44	Office Supplies To eliminate computer equipment expenses related to assets that should have been capitalized. 42 CFR 405.2468, 413.134, 413.20 and 413.24 CMS Pub. 15-1, Sections 108, 108.1, 2300 and 2304		\$43,375	(\$15,299)	\$28,076
12	2A	21	1	21	Medical Supplies To eliminate duplicate and prior year's medical supplies expense. 42 CFR 405.2468, 405.2470, 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		\$115,252	(\$3,124)	\$112,128
*Balance carried forward from prior/to subsequent adjustments									

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
COMMUNITY HEALTH CENTER - ARBOR					JULY 1, 2010 THROUGH JUNE 30, 2011	1174859425		23
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Worksheet	Line				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>								
13	2A	12	1	12	Other - Fringe Benefits	\$320,163	(\$1,224)	\$318,939
	2A	27	1	27	Other - Fringe Benefits	* 21,469	(79)	21,390
	2A	49	1	49	Fringe Benefits / Payroll Taxes	37,019	(142)	36,877
					To adjust workers compensation expense to agree with premium invoices. 42 CFR 405.2468, 405.2470, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
14	2A	50	1	50	Home Office Pool Cost	\$639,521	(\$73,979)	\$565,542
					To adjust reported home office costs to agree with the Community Health Centers of the Central Coast, Inc. Home Office Audit Report for the fiscal period ending 06/30/2011. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.2, 2300 and 2304			
	2A	22	1	22	Depreciation - Medical Equipment	\$52,768		
15					To eliminate nonallowable goodwill expense. 42 CFR 405.2468, 413.20 and 413.24 CMS Pub. 15-1, Sections 1214, 2300 and 2304		(\$50,000)	
16					To adjust depreciation expense for a change in useful life to agree with the American Hospital Association Guidelines. 42 CFR 405.2468, 413.20, 413.24, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17, 104.18, 122, 2300 and 2304		(1,107) (\$51,107)	\$1,661

\*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
COMMUNITY HEALTH CENTER - ARBOR					JULY 1, 2010 THROUGH JUNE 30, 2011	1174859425		23
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Worksheet	Line				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>								
17	2A	34	1	34	Depreciation - Building To adjust leasehold improvement depreciation expense to agree with the provider's records and the American Hospital Association Guidelines. 42 CFR 405.2468, 413.20, 413.24, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 104, 104.8, 104.9, 104.10, 104.17, 104.18, 104.23, 122, 2300 and 2304	\$33,333	(\$11,315)	\$22,018
18	2A	37	1	37	Property Taxes To eliminate property taxes expense due to lack of documentation. 42 CFR 405.2468, 405.2470, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$3,560	(\$3,560)	\$0
19	2A	1	1	1	Physician To include clinic physicians' hospital surgeries/procedures compensation for proper matching of expenses and visits. 42 CFR 405.2468, 405.2470, 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	\$676,951	\$21,729	\$698,680

Provider Legal Name				Fiscal Period		Provider Number (NPI)		Adjustments		
COMMUNITY HEALTH CENTER - ARBOR				JULY 1, 2010 THROUGH JUNE 30, 2011		1174859425		23		
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report		Cost Report							
	Schedule	Line	Worksheet							Line
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
	2A	14	1	14	Physician Services Under Agreement	\$50,461				
20					To eliminate physician compensation for hospital on-call services due to insufficient documentation and for proper matching of expenses and visits. 42 CFR 405.2463, 405.2468, 405.2470, 413.5, 413.9, 413.20, 413.24, 413.50 and 413.53 CMS Pub. 15-1, Sections 2102, 2103, 2109.1, 2182.6(A), 2300 and 2304 CMS Pub. 100-02, Chapter 13, Sections 50, 70 and 100		(\$6,611)			
21					To eliminate prior year's contract physician fees. 42 CFR 405.2468, 405.2470, 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(9,075)			
22					To eliminate physician compensation for hospital on-call services due to insufficient documentation and for proper matching of expenses and visits. 42 CFR 405.2463, 405.2468, 405.2470, 413.5, 413.9, 413.20, 413.24, 413.50 and 413.53 CMS Pub. 15-1, Sections 2102, 2103, 2109.1, 2182.6(A), 2300 and 2304 CMS Pub. 100-02, Chapter 13, Sections 50, 70 and 100		(32,650) (\$48,336)	\$2,125		

Provider Legal Name					Fiscal Period		Provider Number (NPI)		Adjustments
COMMUNITY HEALTH CENTER - ARBOR					JULY 1, 2010 THROUGH JUNE 30, 2011		1174859425		23
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 PATIENT VISITS</u></b>									
23	1	2	2	B2	Total FQHC Visits		17,621	1,740	19,361
					To adjust total visits to agree with the provider's records.				
					42 CFR 405.2463, 405.2470, 413.20 and 413.24				
					CMS Pub. 15-1, Sections 2300 and 2304				