

**REPORT
ON THE
FEDERALLY QUALIFIED HEALTH CENTER**

**RATE SETTING COST REPORT AUDIT
ST. JOHN'S WELL CHILD FAMILY CENTER, INC.
NPI: 1285874826**

**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**

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 Sunita Parmar, Auditor, at (310) 516-4757.

Sincerely,

Original Signed By:

Maria Delgado, Chief
Audits Section - Gardena
Financial Audits Branch

Enclosure
Certified

**FQHC/RHC
COMPUTATION OF MEDI-CAL PROSPECTIVE PAYMENT SYSTEM RATE**

Provider Legal Name:
**ST. JOHN'S WELL CHILD FAMILY
CENTER, INC.**

Provider No. (NPI)
1285874826

Fiscal Period Ended:
DECEMBER 31, 2011

PART A - DETERMINATION OF OVERHEAD APPLICABLE TO MEDICAL SERVICES	REPORTED	AUDITED
1. Cost of Services Excluding Overhead (Sch 2, L 29)	\$ 1,300,415	\$ 1,291,358
2. Nonreimbursable Costs Excluding Overhead (Sch 2, L 57)	271,683	272,025
3. Cost of All Services Excluding Overhead (L A1 + L A2)	\$ 1,572,098	\$ 1,563,383
4. Percentage of Nonreimbursable Costs (L A2 / L A3)	0.172816	0.173998
5. Total Overhead (Sch 2, L 53)	\$ 1,831,867	\$ 1,792,892
6. Overhead Applicable to Nonreimbursable Costs (L A4 * L A5)	316,575	311,959
7. Overhead Applicable to Medical Services (L A5 - L A6)	1,515,292	1,480,933
8. Total Cost of Medical Services (L A1 + L A7)	\$ 2,815,707	\$ 2,772,291
PART B - DETERMINATION OF PPS RATE		
1. Total Medical Costs (L A8)	\$ 2,815,707	\$ 2,772,291
2. Total FQHC/RHC Visits (Adj No. 17)	20,661	20,865
3. Total Nonreimbursable Services Visits (Adj No)	0	0
4. FQHC/RHC Adjusted Visits (L B2 - L B3)	20,661	20,865
5. FQHC/RHC PPS Rate Per Visit (L B1 / L B4)	\$ 136.28	\$ 132.87

**FQHC/RHC
SCHEDULE OF TRIAL BALANCE EXPENSES**

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

ST. JOHN'S WELL CHILD FAMILY CENTER, INC.

1285874826

DECEMBER 31, 2011

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
FQHC/RHC Health Care Cost			
1. Physician	\$166,025	\$0	\$166,025
2. Physician Assistant	58,202	0	58,202
3. Nurse Practitioner	244,033	0	244,033
4. Other Nurse	209,802	0	209,802
5. Laboratory Technician	30,840	0	30,840
6. Mental Health & Social Services	115,982	0	115,982
7. Support Staff	185,700	0	185,700
8. Medical Records	26,709	0	26,709
9. Dietician	4,704	0	4,704
10.	0	0	0
11.	0	0	0
12.	0	0	0
13. Subtotal-Health Care Costs	\$1,041,997	\$0	\$1,041,997
14. Physician Services Under Agreement	\$0	\$0	\$0
15. Physician Supervision	0	0	0
16. Other Health Care Costs	56,966	(2,383)	54,583
17. Other Health Care Costs			
18. Pharmacy	\$0	\$0	\$0
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	83,118	(6,674)	76,444
22. Depreciation-Medical Equipment	0	0	0
23. Professional Liability Insurance	0	0	0
24. Home Office Direct Costs (from H.O. cost report-sch 6)	116,341	0	116,341
25. Other (Specify)	0	0	0
26. Continuing Medical Education	1,993	0	1,993
27.	0	0	0
28. Subtotal-Other Health Care Costs	\$201,452	(\$6,674)	\$194,778
29. Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	\$1,300,415	(\$9,057)	\$1,291,358
FQHC/RHC Overhead-Facility Cost			
30. Rent	\$116	\$0	\$116
31. Insurance	0	0	0
32. Interest Expense	0	0	0
33. Utilities	64,645	(17,775)	46,870
34. Depreciation-Building	154,445	0	154,445
35. Depreciation-Equipment	0	0	0
36. Housekeeping And Maintenance	67,564	(9,401)	58,163
37. Property Tax	0	0	0
38. Minor Equipment	4,619	(2,594)	2,025
39. Home Office Pool Costs (from H.O. cost report-sch 6)	406,333	0	406,333
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$697,722	(\$29,770)	\$667,952
FQHC/RHC Overhead-Administrative Cost			
42. Office Salaries	\$185,834	\$0	\$185,834
43. Depreciation-Office Equipment	0	0	0
44. Office Supplies	29,452	(2,822)	26,630
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)	906,853	0	906,853
51. Other Administration Costs	12,006	(6,383)	5,623
52. Subtotal-Administrative Costs (Lines 42-51)	\$1,134,145	(\$9,205)	\$1,124,940
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$1,831,867	(\$38,975)	\$1,792,892
54. Nonreimbursable Costs (Specify)	\$259,779	\$342	\$260,121
55.	0	0	0
56. Home Office Pool Costs (from H.O. cost report-sch6)	11,904	0	11,904
57. Subtotal Nonreimbursable Costs	\$271,683	\$342	\$272,025
58. Total Costs (Sum of Lines 29, 53, and 57)	\$3,403,965	(\$47,690)	\$3,356,275

FQHC/RHC
ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

ST. JOHN'S WELL CHILD FAMILY CENTER, INC.

1285874826

DECEMBER 31, 2011

Cost Center	Total	Adjustment (No. 1)	Adjustment (No. 2)	Adjustment (No. 3)	Adjustment (No. 4)	Adjustment (No. 5)	Adjustment (No. 6)
FQHC/RHC 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 & Social Services	0						
7. Support Staff	0						
8. Medical Records	0						
9. Dietician	0						
10.	0						
11.	0						
12.	0						
13. Subtotal-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	(2,383)						
17. Other Health Care Costs							
18. Pharmacy	0						
19. Dental	0						
20. Optometry	0						
21. Medical Supplies	(6,674)		(6,674)				
22. Depreciation-Medical Equipment	0						
23. Professional Liability Insurance	0						
24. Home Office Direct Costs (from H.O. cost report-sch	0						
25. Other (Specify)	0						
26. Continuing Medical Education	0						
27.	0						
28. Subtotal-Other Health Care Costs	(6,674)	0	(6,674)	0	0	0	0
29. Total Health Care Costs (Sum of Lines 13, 14, 15, 16, and 28)	(6,674)	0	(6,674)	0	0	0	0
FQHC/RHC Overhead-Facility Cost							
30. Rent	0						
31. Insurance	0						
32. Interest Expense	0						
33. Utilities	(17,775)						
34. Depreciation-Building	0						
35. Depreciation-Equipment	0						
36. Housekeeping And Maintenance	(9,401)			(4,154)	(126)	(2,393)	(138)
37. Property Tax	0						
38. Minor Equipment	(2,594)	(342)					
39. Home Office Pool Costs (from H.O. cost report-sch 6	0						
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	(29,770)	(342)	0	(4,154)	(126)	(2,393)	(138)
FQHC/RHC Overhead-Administrative Cost							
42. Office Salaries	0						
43. Depreciation-Office Equipment	0						
44. Office Supplies	(2,822)						
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	0						
51. Other Administration Costs	(6,383)						
52. Subtotal-Administrative Costs (Lines 42-51)	(9,205)	0	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(38,975)	(342)	0	(4,154)	(126)	(2,393)	(138)
54. Nonreimbursable Costs (Specify)	342	342					
55.	0						
56. Home Office Pool Costs (from H.O cost report-sch6)	0						
57. Subtotal Nonreimbursable Costs	342	342	0	0	0	0	0
58. Total Costs (Sum of Lines 29, 53, and 57)	(45,307)	0	(6,674)	(4,154)	(126)	(2,393)	(138)

ADJUSTMENTS TO REPORTED COSTS

Provider Legal Name:

Provider No.

Fiscal Period Ended:

ST. JOHN'S WELL CHILD FAMILY CENTER, INC.

1285874826

DECEMBER 31, 2011

Cost Center	Adjustment (No. 7)	Adjustment (No. 8)	Adjustment (No. 9)	Adjustment (No. 10)	Adjustment (No. 11)	Adjustment (No. 12)	Adjustments (Nos. 13-16)
FQHC/RHC Health Care Cost							
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Laboratory Technician							
6. Mental Health & Social Services							
7. Support Staff							
8. Medical Records							
9. Dietician							
10.							
11.							
12.							
13. Subtotal-Health Care Costs	0	0	0	0	0	0	0
14. Physician Services Under Agreement							
15. Physician Supervision							
16. Other Health Care Costs							(2,383)
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 Direct Costs (from H.O. cost report-sch							
25. Other (Specify)							
26. Continuing Medical Education							
27.							
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	(2,383)
FQHC/RHC Overhead-Facility Cost							
30. Rent							
31. Insurance							
32. Interest Expense							
33. Utilities		(17,775)					
34. Depreciation-Building							
35. Depreciation-Equipment							
36. Housekeeping And Maintenance	(2,590)						
37. Property Tax							
38. Minor Equipment			(2,252)				
39. Home Office Pool Costs (from H.O. cost report-sch 6							
40.							
41. Subtotal-Facility Costs (Lines 30-40)	(2,590)	(17,775)	(2,252)	0	0	0	0
FQHC/RHC Overhead-Administrative Cost							
42. Office Salaries							
43. Depreciation-Office Equipment							
44. Office Supplies				(686)	(1,862)	(274)	
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							
51. Other Administration Costs							(6,383)
52. Subtotal-Administrative Costs (Lines 42-51)	0	0	0	(686)	(1,862)	(274)	(6,383)
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(2,590)	(17,775)	(2,252)	(686)	(1,862)	(274)	(6,383)
54. Nonreimbursable Costs (Specify)							
55.							
56. Home Office Pool Costs (from H.O cost report-sch6)							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total Costs (Sum of Lines 29, 53, and 57)	(2,590)	(17,775)	(2,252)	(686)	(1,862)	(274)	(8,766)

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
ST. JOHN'S WELL CHILD FAMILY CENTER, INC.					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1285874826		17
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report		Cost Report					
	Schedule	Line	Worksheet	Line				
<u>RECLASSIFICATION TO REPORTED COSTS</u>								
1	2A	38	1	38	Minor Equipment	\$4,619	(\$342)	\$4,277 *
	2A	54	1	54	Nonreimbursable Costs	259,779	342	260,121
To reclassify minor equipment expenses to a nonreimbursable cost center. 42 CFR 413.9, 413.20 and 413.24 / CMS Pub. 15-1, Section 2328								

*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
ST. JOHN'S WELL CHILD FAMILY CENTER, INC.					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1285874826		17
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>								
2	2A	21	1	21	Medical Supplies To eliminate medical supplies expenses not related to the clinic for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$83,118	(\$6,674)	\$76,444
3	2A	36	1	36	Housekeeping and Maintenance To eliminate housekeeping and maintenance expenses not related to the clinic for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$67,564	(\$4,154)	\$63,410 *
4	2A	36	1	36	Housekeeping and Maintenance To eliminate duplicate housekeeping and maintenance expenses for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$63,410	(\$126)	\$63,284 *
5	2A	36	1	36	Housekeeping and Maintenance To eliminate stericycle expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$63,284	(\$2,393)	\$60,891 *
6	2A	36	1	36	Housekeeping and Maintenance To reconcile the housekeeping and maintenance expense to the provider's invoices for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$60,891	(\$138)	\$60,753 *

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments	
ST. JOHN'S WELL CHILD FAMILY CENTER, INC.					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1285874826		17	
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>									
7	2A	36	1	36	Housekeeping and Maintenance To eliminate housekeeping and maintenance expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	*	\$60,753	(\$2,590)	\$58,163
8	2A	33	1	33	Utilities To eliminate utilities expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$64,645	(\$17,775)	\$46,870
9	2A	38	1	38	Minor Equipment To eliminate minor equipment expenses not related to the clinic for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$4,277	(\$2,252)	\$2,025
10	2A	44	1	44	Office Supplies To reconcile the reported office supplies expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$29,452	(\$686)	\$28,766 *
11	2A	44	1	44	Office Supplies To eliminate office supplies expenses not related to the clinic for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$28,766	(\$1,862)	\$26,904 *

*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments	
ST. JOHN'S WELL CHILD FAMILY CENTER, INC.					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1285874826		17	
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>									
12	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	*	\$26,904	(\$274)	\$26,630
13	2A	51	1	51	Other Administration Costs To adjust licensing fees 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		\$12,006	(\$750)	\$11,256 *
14	2A	51	1	51	Other Administration Costs To eliminate other administrative expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$11,256	(\$5,633)	\$5,623
15	2A	16	1	16	Other Healthcare Costs To eliminate other contracted healthcare expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$56,966	(\$1,500)	\$55,466 *
16	2A	16	1	16	Other Healthcare Costs To reconcile other contracted healthcare expense to the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$55,466	(\$883)	\$54,583

*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
ST. JOHN'S WELL CHILD FAMILY CENTER, INC.					JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1285874826		17
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>								
17	1	B2	2	B2	Total FQHC Visits To reconcile the reported visits to the provider's records. 42 CFR 405.2465 and 415.2470 CMS Pub. 15-1, Sections 2300 and 2304	20,661	204	20,865