

**REPORT  
ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
RECONCILIATION REVIEW  
NORTH COUNTY HEALTH SERVICES  
PROVIDER NUMBER (NPI): (1447267349)**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2009**

**Audit Review and Analysis Section  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Evie Correa  
Audit Supervisor: Ralph R. Zavala  
Auditor: Emil Guzman**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

March 29, 2013

Phil Lenowsky  
North County Health Services  
150 Valpreda Road  
San Marcos, CA 92069

PROVIDER LEGAL NAME: NORTH COUNTY HEALTH SERVICES  
DBA: NORTH COUNTY HEALTH SERVICES  
PROVIDER NUMBER (NPI): (1447267349), (1396852455), (1760498349), (1255347894),  
(1639185317), (1073529681), (1245246917), (1255347704)  
FISCAL PERIOD ENDED: DECEMBER 31, 2009

We have reviewed the Federally Qualified Health Center (FQHC) Medi-Cal Reconciliation Request for the above-referenced fiscal period. Our review was made under the authority of Welfare and Institutions Code section 14170, and was limited to a review of the Provider's records/data and the Medi-Cal Paid Claims Summary Reports received from the State's fiscal intermediary.

The reconciliation review consists of finding the difference between the Medi-Cal Prospective Payment System (PPS) settlement for all visits previously paid on an interim basis such as those rendered to Managed Care Plan patients and Non-Managed Care crossovers.

This review may include an adjustment for duplicate payments, credit balances or payments made for non-billable services found during our review of Medi-Cal Paid Claims Detail Report.

The amount due the Clinic for the above referenced fiscal period in the amount of \$904,538 as presented in the accompanying schedules represents a final determination in accordance with the reimbursement principles of the program.

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

This determination includes:

1. Reconciliation Review Report (Schedule 1)
2. Adjustment Schedule(s)

Status, which may reflect other financial transactions initiated by the Department. The State's fiscal intermediary will forward the Statement(s) of Account Status to the Clinic.

Please note; the computation of this reconciliation utilizes the PPS rate in effect for the change in the PPS rate for the applicable period, the reconciliation amount will be revised to reflect the impact of the new PPS rate. At that time, a revised reconciliation determination will be sent to the clinic.

Notwithstanding this determination, overpayments to the provider are subject to recovery pursuant to California Code of Regulations, Title 22, Section 51458.1.

If you disagree with the determination of the Department as set forth in this letter, 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 California Code of Regulations, Title 22, Section 51016 et seq. Excerpts of the statute and regulations are included for your information.

If you have further questions regarding this letter, please contact Emil Guzman, Auditor, at (916) 650-6696.

Sincerely,

**Original Signed By**

Evie Correa, Chief  
Audit Review and Analysis Section  
Financial Audits Branch

Enclosure(s)  
Certified

## SCHEDULE 1

## FQHC/RHC RECONCILIATION

PROVIDER LEGAL NAME: NORTH COUNTY HEALTH SERVICES	PROVIDER NUMBER (NPI): (1447267349)
FISCAL PERIOD: JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	

## PAYMENT/RECOVERY DETERMINATION

1.	Managed Care Medi-Cal Visits	32,152	11,113	43,265	31,757	5	10,905	6	42,662
2.	Managed Care Crossover Visits	-	-	-	-		-		-
3.	CHDP History Physicals Visits (Non Managed Care)	-	-	-	-		-		-
4.	Medi-Cal Crossover Visits (Non Managed Care)	3,426	1,116	4,542	3,424	1	1,161	2	4,585
5.	Subtotal Visits	35,578	12,229	47,807	35,181		12,066		47,247
5b.	Less: Duplicate and Nonbillable Medi-Cal Visits			-	-		-		-
	<b>Total Visits</b>	<b>35,578</b>	<b>12,229</b>	<b>47,807</b>	<b>35,181</b>		<b>12,066</b>		<b>47,247</b>

6.	Managed Care Plan(s) Payments	\$ 1,304,689	\$ 459,584	\$ 1,764,273	\$ 1,304,689		\$ 459,584		\$ 1,764,273
7.	Managed Care Medicare Payments	\$ -	\$ -	-	\$ -		\$ -		-
8.	Medi-Cal (Code 18) Payments	\$ 1,900,971	\$ 664,738	2,565,709	\$ 1,868,521	7	\$ 651,982	8	2,520,504
9.	CHDP Program Payments (Non Managed Care)	\$ -	\$ -	-	\$ -		\$ -		-
10.	Medicare Crossover Payments (Non Managed Care)	\$ 384,356	\$ 96,126	480,482	\$ 326,759	9	\$ 110,797	10	437,556
11.	Medi-Cal Crossover Payments (Non Managed Care)	\$ 110,003	\$ 35,403	145,407	\$ 129,169	3	\$ 44,501	4	173,670
12.	<b>Total Payments</b>	<b>\$ 3,700,019</b>	<b>\$ 1,255,851</b>	<b>\$ 4,955,870</b>	<b>\$ 3,629,138</b>		<b>\$ 1,266,864</b>		<b>\$ 4,896,002</b>

13.	PPS Rate	\$ 122.27	\$ 124.23		\$ 122.27		\$ 124.23		
14.	Total Medi-Cal Visits (From Line 5)	35,578	12,229	47,807	35,181		12,066		47,247
15.	PPS Amount (Line 13 x Line 14)	\$ 4,350,122	\$ 1,519,209	\$ 5,869,331	\$ 4,301,581		\$ 1,498,959		\$ 5,800,540
16.	Less: Total Payments (From Line 12)	\$ 3,700,019	\$ 1,255,851	\$ 4,955,870	\$ 3,629,138		\$ 1,266,864		\$ 4,896,002
17.	Reconciliation Amount Due Clinic (State) (L 15-L 16)	\$ 650,103	\$ 263,357	\$ 913,461	\$ 672,443		\$ 232,095		\$ 904,538
18.	Medi-Cal Billing Review Results (Schedule 2)			\$ -	\$ -		\$ -		\$ -
19.	<b>Total Amount Due Clinic (State) (L 17+L 18)</b>	<b>\$ 650,103</b>	<b>\$ 263,357</b>	<b>\$ 913,461</b>	<b>\$ 672,443</b>		<b>\$ 232,095</b>		<b>\$ 904,538</b>

Provider Legal Name					Fiscal Period	Provider Number (NPI)	Adjustments	
NORTH COUNTY HEALTH SERVICES					JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	(1447267349)	10	
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Reconciliation Review		Reconciliation Request					
	Schedule	Line	Worksheet	Line				
<b>ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA</b>								
1	1	4	1	4	Medi-Cal Crossover Visits (Period 1)	3,426	(2)	3,424
2	1	4	1	4	Medi-Cal Crossover Visits (Period 2)	1,116	45	1,161
3	1	11	1	11	Medi-Cal Crossover Payments (Period 1)	\$110,003	\$19,165	\$129,169
4	1	11	1	11	Medi-Cal Crossover Payments (Period 2)	35,403	9,098	44,501
5	1	1	1	1	Managed Care Medi-Cal Visits (Period 1)	32,152	(395)	31,757
6	1	1	1	1	Managed Care Medi-Cal Visits (Period 2)	11,113	(208)	10,905
7	1	8	1	8	Medi-Cal (Code 18) Payments (Period 1)	\$1,900,971	(\$32,450)	\$1,868,521
8	1	8	1	8	Medi-Cal (Code 18) Payments (Period 2)	664,738	(12,755)	651,982
<p>To adjust Medi-Cal Settlement Data to agree with the following ACS Paid Claims Summary Report:                      Run On: 01/17/13                      Payment Period: 01/01/09 through 01/15/13                      Service Period: 01/01/09 through 12/31/09                      42 CFR, Sections 413.20, 413.50, 413.53, 413.60 and 413.64                      CMS Pub. 15-1, Sections 2304 and 2408.3</p>								
9	1	10	1	10	Medicare Crossover Payments (Period 1)	\$384,356	(\$57,597)	\$326,759
10	1	10	1	10	Medicare Crossover Payments (Period 2)	96,126	14,671	110,797
<p>To adjust Medicare Payments received for the Medi-Cal Crossover (Code 2) visits.                      CA Welfare and Institutions Code 14132.100 (h)                      42 CFR, Sections 413.20 and 413.24                      CMS Pub. 15-1, Section 2304</p>								