

**REPORT
ON THE
COST BASED REIMBURSEMENT CLINICS**

**LAC – COASTAL CLUSTER
TORRANCE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIERS: 1154335982,
1518973940 AND 1508872912**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

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

**Section Chief: Maria Delgado
Audit Supervisor: Cyrus Lam
Auditors: Tony Martinez**



TOBY DOUGLAS
Director

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



EDMUND G. BROWN
Governor

November 19, 2013

Judy Wong, Manager
State Reimbursement Section
Program Reimbursement Division
County of Los Angeles
Department of Health Services
313 North Figueroa Street, Room 426
Los Angeles, CA 90012

PROVIDER: LAC – COASTAL CLUSTER
NATIONAL PROVIDER IDENTIFIER: 1154335982
FISCAL PERIOD ENDED: JUNE 30, 2010

We have examined the Cost Based Reimbursement Clinics (CBRC) Medi-Cal cost report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the audited settlement for the fiscal period due the Provider in the amount of \$770,138 represents a proper determination in accordance with Medi-Cal Program reimbursement principles. The audited amount represents the final settlement of Medi-Cal Program costs.

This Audit Report includes the:

1. Computation of Audited CBRC Settlement (Schedule 1) and supporting schedules
2. Audit Adjustments

The audited settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the Clinic, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the Clinic by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

Judy Wong
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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
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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 95899-7413

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 95814-5005
(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.

If you have questions regarding this report you may call the Audits Section – Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section – Gardena
Financial Audits Branch

Certified

County of Los Angeles - Department of Health Services
COMPREHENSIVE HEALTH CENTERS AND HEALTH CENTERS Total Costs

FORM 1A

Cluster: Coastal Cluster; Provider NPI: 1154335982

Fiscal Year Ended: JUNE 30, 2010

CMS Line No.	Cost Centers	1		3	4				
		Direct Costs (c) CMS 2552-96, W/S B, Part I, Col. 0 (Adj 1)			Off-Site Ancillary/ Indigent Costs	Total Allowable CBRC CHC/HC Costs Col. 1 + Col. 2 - Col. 3			
100.23	CHC/HC Overhead Costs	\$	13,624,550		\$	13,608,061			
100.24	CHC/HC Healthcare Costs		17,293,466	80,921		17,212,545			
1.00	Old Capital - Related Costs - Bldg.and Fixtures					0			
2.00	Old Capital - Related Costs - Movable Equipment					0			
3.00	New Capital - Related Costs - Bldg. And Fixtures					0			
4.00	New Capital Related Costs - Movable Equipment					0			
5.00	Employee Benefits					443,071			
6.01	Administrative and General					0			
6.02	Other Administrative					295,156			
7.00	Maintenance and Repairs					0			
8.00	Operation of Plant					0			
9.00	Laundry & Linen Service					0			
10.00	Housekeeping					0			
11.00	Dietary					0			
12.00	Cafeteria					0			
14.00	Nursing Administration					0			
15.00	Central Services and Supplies					0			
16.00	Pharmacy					0			
17.00	Medical Records & Medical Records Library					0			
18.00	Social Services					0			
19.00	PFSW Provider/Eligibility					0			
19.01	PFS Provider					0			
22.00	I & R Services - Salaries & Fringe B. Approved					0			
23.00	I & R Other Program Costs Approved					0			
23.01	Total Physicians Teaching					0			
24.00	Parmed Ed Program			0		0			
24.01	Parmed Ed Program - Anesthetists			0		0			
	Total	\$	30,918,016 (d)	\$	738,227 (d)	\$	97,410	\$	31,558,833

Instructions for Column 3

Total should flow to
Form 2, Line 1

County of Los Angeles - Department of Health Services
Determination of COMPREHENSIVE HEALTH CENTERS AND HEALTH CENTERS CBRC Settlement
Cluster: Coastal Cluster; Provider NPI: 1154335982
Fiscal Year Ended: JUNE 30, 2010

1.	Total Costs (Form 1A, Col. 4)	\$	31,558,833
2.	Determination of Overhead Costs Applicable to non-reimbursable CHC/HC Health Care Services		
	a. CHC/HC Health Care Services Costs (Form 1, Col. 4, Line 100.24)	17,212,545	
	b. Non-Reimbursable CHC/HC Costs (Adj 4) (HCFA 2552-96, W/S B, Col. 0, Line 100.25)	1,173,366	
	c. Cost of all CHC/HC Costs - Excluding Overhead Costs (Line 2a + Line 2b)	18,385,911	
	d. Percentage of Non-Reimbursable CHC/HC Costs (Line 2b / Line 2c)	0.0638	
	e. Total CHC/HC General Overhead Costs (Form 1, Col. 4, Line 100.23+Line 100.32+Col. 2, Lines 1- 24)	14,346,288	
	f. Overhead Applicable to Non-Reimbursable CHC/HC Costs (Line 2d X Line 2e)	\$	915,562
3.	Total Cost of Reimbursable CHC/HC Services (Line 1 - Line 2f)	\$	<u>30,643,271</u>
4.	Total Visits (Adj 5)		<u>109,807</u>
5.	Average Cost Per Visit (Line 3 divided by Line 4)		279.06
6.	Medi-Cal Visits (Billing Codes 01 and 03) (Adjs 6, 7, 8)		<u>10,130</u>
7.	Total Medi-Cal Cost (Line 5 X Line 6)	\$	<u>2,826,878</u>
8.	<u>Less Payments:</u>		
	a. Medi-Cal Payments (Billing Code 01 and 03) (Adj 6)	\$	2,020,131
	b. Medi-Cal X-Over (Billing Code 02) (Adj 6)		19,010
	c. Patient Share of Cost (Adj 6)		17,599
	d. Total Payments	\$	<u>2,056,740</u>
9.	Balance Due Provider (State) Before Protested Items (Line 7 - Line 8d)	\$	<u>770,138</u>
10.	Protested Items: (CCAP) (Adj)	\$	<u>0</u>
11.	Balance Due Provider (State) After Protested Items	\$	<u>770,138</u>

Provider Name							Fiscal Period	Provider NPI	Adjustments	
LAC - COASTAL CLUSTER							JULY 1, 2009 THROUGH JUNE 30, 2010	1154335982	8	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report								
		Work Sheet	Part	Title	Line	Col.				
ADJUSTMENTS TO REPORTED COSTS										
1	Form 1A	1			100.23	1	CHC/HC Overhead Cost	\$13,884,265		\$13,624,550
	Form 1A	1			100.24	1	CHC/HC Healthcare Cost	17,477,509	(\$259,715)	17,293,466
							To reconcile the reported direct CHC/HC cost with the hospital audit report for fiscal period ended June 30, 2010. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			
2	Form 1A	1			5.00	2	Employee Benefits	\$443,860	(\$789)	\$443,071
	Form 1A	1			6.02	2	Other Administrative	303,504	(8,348)	295,156
							To reconcile the reported direct CHC/HC cost with the hospital audit report for fiscal period ended June 30, 2010. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			
3	Form 1A	1			100.23	3	CHC/HC Overhead Cost	\$16,315	\$174	\$16,489
	Form 1A	1			100.24	3	CHC/HC Healthcare Cost	80,922	(1)	80,921
							To adjust off-site ancillary indigent costs based on the detail supporting documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			
4	Form 1	2			2b.	1	Non-Reimbursable CHC/HC Cost	\$939,016	\$234,350	\$1,173,366
							To reconcile the reported non-reimbursable CHC/HC cost with the hospital audit report for the fiscal period ended June 30, 2010. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			

Provider Name							Fiscal Period			Provider NPI		Adjustments
LAC - COASTAL CLUSTER							JULY 1, 2009 THROUGH JUNE 30, 2010			1154335982		8
Report References												
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
<u>ADJUSTMENT TO REPORTED VISITS</u>												
5	Form 1	2			4.00	1	Total Coastal Cluster Visits To adjust Coastal Cluster total visits to agree with the provider's records. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304			110,196	(389)	109,807

Provider Name							Fiscal Period	Provider NPI		Adjustments	
LAC - COASTAL CLUSTER							JULY 1, 2009 THROUGH JUNE 30, 2010	1154335982		8	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA											
6	Form 1	2			6.00	2	Medi-Cal Visits (Billing Code 01 and 03)	10,920	(575)	10,345 *	
	Form 1	2			8a	2	Medi-Cal (Billing Code 01 and 03)	\$2,139,968	(\$119,837)	\$2,020,131	
	Form 1	2			8b	2	Medicare/Medi-Cal Crossover Under/Overpayment (Billing Code 2)	37,210	(18,200)	19,010	
	Form 1	2			8c	2	Patient Share of Cost	6,777	10,822	17,599	
							Service Period: July 1, 2009 through June 30, 2010				
							Payment Period: July 1, 2009 through March 31, 2013				
							Report Date: August 21, 2013				
							42 CFR 413.20, 413.24, 413.53, and 433.139				
							CMS Pub. 15-1, Sections 2304, 2404, and 2408				
							CCR, Title 22, Section 51541				
							SPA, Supplement 5, Attachment 4.19-B, (C)(2)				
7	Form 1	2			6.00	2	Medi-Cal Visits (Billing Code 01 and 03)	* 10,345	(6)	10,339 *	
							To disallow duplicates and adjust Medi-Cal visits to agree with the following Fiscal Intermediary Payment Data:				
							Service Period: July 1, 2009 through June 30, 2010				
							Payment Period: July 1, 2009 through March 31, 2013				
							Report Date: August 21, 2013				
							42 CFR 413.20, 413.24, 413.53, and 433.139				
							CMS Pub. 15-1, Sections 2304, 2404, and 2408				
							CCR, Title 22, Section 51541				
							SPA, Supplement 5, Attachment 4.19-B, (C)(2)				
8	Form 1	2			6.00	2	Medi-Cal Visits (Billing Code 01 and 03)	* 10,339	(209)	10,130	
							To eliminate visits related to nonallowable Dental and Podiatry services.				
							CMS Pub. 15-1, Sections 2304, 2404, and 2408				
							Welfare and institution Code 14131.10				
							State Plan Amendment 09-001, Attachment 3.1				

*Balance carried forward from prior/to subsequent adjustments