

**REPORT  
ON THE  
COMPREHENSIVE REVIEW**

**SAN MATEO COUNTY HEALTH SYSTEM  
SAN MATEO, CALIFORNIA**

**MATERNAL, CHILD AND ADOLESCENT HEALTH  
BLACK INFANT HEALTH  
ADOLESCENT FAMILY LIFE PROGRAM  
AGREEMENT NO. 200941**

**FISCAL PERIOD:  
JULY 1, 2009 THROUGH JUNE 30, 2010**

**Audits Section - Richmond  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Louise Wong  
Audit Supervisor: Marisa Ho  
Auditor: Ken Phelan**



TOBY DOUGLAS  
*Director*

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



EDMUND G. BROWN JR.  
*Governor*

July 25, 2012

Dr. Anand Chabra  
Maternal, Child and Adolescent Health Director  
San Mateo County Health System  
Family Health Services  
2000 Alameda de las Pulgas, Suite 200  
San Mateo, CA 94403

Dear Dr. Chabra:

The claims for expenditures for services provided by San Mateo County Health System under the Maternal, Child and Adolescent Health (MCAH) Program, Black Infant Health (BIH) Program, and Adolescent Family Life Program (AFLP), Agreement No. 200941, for the fiscal period of July 1, 2009 through June 30, 2010 have been reviewed by the Financial Audits Branch of the Department of Health Care Services.

Except as set forth in the following paragraph, our review was made in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Accordingly, our review included such tests of the accounting records and other review procedures, as we considered necessary under the circumstances.

The scope of our review was limited to specific contract or program requirements relating to financial compliance and did not include sufficient work to determine whether the financial statements present fairly the financial position and the results of the financial operations. We have not duplicated the work performed by the other auditors.

As noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial position referred above. Consequently, no financial statements are presented.

The program review was conducted during the months of May 2011 through June 2011. The exit conference was held on October 26, 2011 at which time the results of the engagement were discussed.

Dr. Anand Chabra

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This Audit Report includes the:

1. Executive Summary of Findings
2. Program Compliance
3. Fiscal Findings
4. Financial Schedules

The report concludes that \$8,633 is due the Federal government. You will be receiving an invoice in that amount from the Department's Accounting Section.

If you disagree with the amount due, you may appeal by writing to Chief Administrative Appeals, Office of Legal Services, Department of Health Care Services, 1029 J Street, Suite 200, MS 0017, Sacramento, CA 95814. This written notice of disagreement must be received by the Department within sixty (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 Services, 1501 Capitol Avenue, Suite 5001, MS 0010, P.O. Box 997413, Sacramento, CA 95899-7413. The procedures that govern this hearing 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 should have any further question, please contact Toni Ballenger, Contract Manager, at (916) 650-0351.

Original Signed by

Louise Wong, Chief  
Audits Section – Richmond  
Financial Audits Branch

Certified

cc: Toni Ballenger  
Contract Manager  
California Department of Public Health  
Maternal, Child and Adolescent Health Division  
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I. EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings:

A. PROGRAM COMPLIANCE

1. The San Mateo County Health System (County) has met the programs' Maternal Child and Adolescent Health (MCAH), Black Infant Health (BIH), and Adolescent Family Life Program (AFLP) goals and objectives as outlined in the Scope of Work. (See Section IV. B.)
2. All programs' (MCAH, BIH, and AFLP) expense invoices were submitted to MCAH Division 15 to 54 days late from the required due dates. (See Section IV. A.1.)
3. The County did not document that a comprehensive reassessment was performed for AFLP case management clients. (See IV. B.3)

B. FISCAL FINDINGS

1. The County submitted invoices for and was reimbursed \$632,702 out of the MCAH Division budget agreement of \$746,404. (See Section V.B.)
2. An adjustment of \$6,021 is proposed to recover overpayments related to the duplicate claiming of telephone expenses under the MCAH Program. (See Section V.C.1.a.)
3. An adjustment of \$259 is proposed to reflect non-claimable food and meals expenses billed to the MCAH Program. (See Section V.C.1.b.)
4. An adjustment of \$2,353 is proposed to reflect non-claimable food and meals expense under the Black Infant Health (BIH) Program Title V funding. (See Section V.C.2.)
5. The County did not have prior written approval to claim \$1,737 in travel cost for personnel not listed on AFLP budgeted. (See Section V.C.3.a.)

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II. INTRODUCTION

A. DESCRIPTION OF PROGRAM

The Maternal, Child and Adolescent Health Program (MCAH), established on the state level in 1973, is funded by a Federal Title V Block Grant as well as by Federal Medicaid funds (Title XIX), State General Fund, and the State Cigarette and Tobacco Products Surtax Fund. The mission of the MCAH Branch is to assure that infants, children, adolescents, and pregnant women in California receive a variety of services to protect and improve their health. To accomplish its goals, the Branch maintains partnerships, contracts, and agreements with state federal and local agencies in both the public and private sectors.

B. DESCRIPTION OF AGENCY AND THE PROGRAMS

San Mateo County Public Health Division was part of a re-organization in 2008 that created the San Mateo County Health System. The structure was redesigned so the Health Officer and Health Policy and Planning directly report to the Health System Chief to provide leadership in identifying and addressing community health challenges. The Health System also includes six divisions: San Mateo Medical Center; Correctional Health Services; Aging and Adult Services; Family Health Services; Community Health; and Behavioral Health and Recovery Services (BHRS). The Mental Health Division was renamed BHRS because of an increasing focus on substance abuse issues, including among pregnant woman, and the movement of Alcohol and Other Drugs from the Human Services into the Health System.

The Family Health Services Division include many MCAH programs such as: the Adolescent Family Life Program (AFLP) and Federal Adolescent Family Life Project; Black Infant Health Project (Prenatal Advantage); the Comprehensive Perinatal Services Program (CPSP); Fatherhood Services; and Sudden Infant Death Syndrome (SIDS) Program. The Prenatal-to-Three Program (home visiting services primarily for families on Medi-Cal with young children), California Children's Services (CCS) program and Medical Therapy Unit, Child Health and Disability Prevention (CHDP) Program, Immunization Program, Dental Health Program and Nutrition Programs (including Women, Infants and Children Program) all serve the MCAH population and coordinate services closely with the MCAH programs.

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(1) MATERNAL, CHILD AND ADOLESCENT HEALTH (MCAH) PROGRAM

The purpose of the Maternal, Child and Adolescent Health Program is to carry out the core public health functions of assessment, policy development, and assurance to improve the health of mothers, infants, children, and adolescent in San Mateo County focusing on two core areas:

- 1) Improving access to early prenatal care and early prenatal care rates;
- 2) Decreasing pediatric overweight

(2) BLACK INFANT HEALTH (BIH) PROGRAM

The Black Infant Health Program is designed to identify “at risk” pregnant and parenting African American women in order to:

- 1) Provide them assistance that will aid in their accessing and maintaining appropriate health care for themselves and their infants through the first year of life;
- 2) Receive other family supportive services, such as child care, job training, assistance with food, housing and transportation, etc.

(3) ADOLESCENT FAMILY LIFE PROGRAM (AFLP)

The purpose of the Adolescent Family Life Program is to ensure healthy pregnancy outcomes for mothers and infants, help prevent subsequent teen pregnancies, and help teen parents graduate from high school and become self-sufficient. This is accomplished by providing case management services, a process wherein the case manager facilitates the achievement of a client’s goals and objectives; addresses the wide variety of needs of pregnant and parenting adolescents; and assures that clients receive needed services within a multidisciplinary system.

C. SITE LOCATION

San Mateo County Family Health Services Division (County) MCAH Program Nursing Field Services and Administrative offices are located at 2000 Alameda de las Pulgas, Suite 200, San Mateo, California 94403.

The County also provides MCAH program activities at the following locations:

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1. Prenatal Advantage / Black Infant Health  
 2415 University Avenue, 2<sup>nd</sup> Floor  
 East Palo Alto, CA 94303
  
2. The Role of Men Group met at:  
 Free at Last Community Recovery  
 1796 Bay Road  
 East Palo Alto, CA 94303

D. FUNDING SOURCES

San Mateo County Family Health Services Division receives funding from various federal, State, local government, and various other sources. The amounts and percentage of support for the fiscal year ending June 30, 2010 are as follows.

<u>SOURCES</u>	<u>AMOUNT</u>	<u>PERCENT</u>
Realignment Sales Tax-Public Assistance	\$536,680	3.52%
California Children's Services-State Subvention	4,574,060	29.96%
State Public Health Grant	580,908	3.81%
State Aid - Child Health and Disability Prevention	1,083,948	7.10%
State Aid - Women, Infant and Children Program	3,019,902	19.78%
State Public Health Categorical Aid	283,154	1.85%
State - Other Public Health	313,309	2.05%
Other Federal Health Program	318,023	2.08%
California Children's Services Client Fees	2,516	0.02%
Health Plan of San Mateo Risk Share Supplemental	54,636	0.36%
Medi-Cal State	6,622	0.04%
Other Reimbursement	2,965,543	19.43%
Compensation Insurance Refunds	31,272	0.20%
State Disability Insurance Payments	188,846	1.24%
Miscellaneous Reimbursements	21,413	0.14%
All Other Miscellaneous Revenue	1,187,437	7.78%
Tobacco Settlement	97,556	0.64%
Total Family Health Services Division	<u>\$15,265,825</u>	<u>100.00%</u>

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The County's various MCAH Programs were funded by Federal Title V Maternal and Child Health Block Grant Funds, Federal Title XIX Medicaid (Medi-Cal) Funds, and County dollars as follows.

<u>Programs Funding</u>	<u>MCAH</u>	<u>BIH</u>	<u>AFLP</u>	<u>Total</u>
Title V	\$115,799	\$208,277	\$111,361	\$435,437
Matching Title XIX	37,174	160,091	0	197,265
San Mateo County Funds	134,762	515,902	150,860	801,524
Total Programs Funding	<u>\$287,735</u>	<u>\$884,270</u>	<u>\$262,221</u>	<u>\$1,434,226</u>

E. PROGRAM GOALS AND OBJECTIVES

I. MATERNAL, CHILD AND ADOLESCENT HEALTH (MCAH) PROGRAM

The goals of the MCAH Program are:

1. Ensure that all children are born healthy to healthy mothers.
2. Strive toward no health status disparities among racial/ethnic, gender, economic, and regional group.
3. Provide a safe and healthy environment for women, children, and their families.
4. Provide equal access for all woman, children, and their families to appropriate and needed care with an integrated and seamless system.

The objectives of the MCAH Program are:

1. The County will operate MCAH Program under the direction of an approved MCAH Director in accordance with the State MCAH Program Policies and Procedures manual.
2. The County's MCAH Program will provide comprehensive outreach activities that may include case finding, referrals, patient/client education and community awareness. These activities target MCAH population to assist them in accessing and receiving care and services to improve their health and well being.

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3. The County will provide skilled professional expertise to identify, coordinate and expand services for the MCAH population through collaborative planning and development to assure quality, evidence-based family services.
4. The County will address local priority needs including:
  - a.) A specific SIDS objective(s) and activities, and
  - b.) Other local needs identified through the Title V Needs Assessment.

The County must tailor its SIDS objective(s) and other local priority objective to address local needs identified through their five year Needs Assessment.

**II. BLACK INFANT HEALTH (BIH) PROGRAM:**

The goal of BIH Program is to strive to achieve the Healthy People 2010 goals to reduce African American maternal and infant health disparities by:

1. Improving access to preconception, interconception and infant health care and socioeconomic services to African American pregnant and parenting woman and infants up to one year of age.
2. Reducing African American infant mortality rate.
3. Increasing the percentage of African American women obtaining prenatal care in the first trimester.
4. Reducing the percentage of African American infants born with low birth weights below 2,500 grams.
5. Reducing the percentage of pregnant and parenting African American woman who smoke, use alcohol and/or nonprescription drugs.
6. Reducing the percentage of African American babies who die due to Sudden Infant Death Syndrome (SIDS).
7. Reducing African American maternal mortality rate.

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The objectives of the BIH Program are:

1. Conduct a community-based BIH Program at the local sites to improve early access to care and maintenance of health and supportive services before, during and after pregnancy, to improve the health status of African American women and their infants up to one year of age.
2. Provide culturally competent information to educate African American women and the community on the importance of early entry into prenatal care and continued participation in prenatal care.
3. Develop and implement educational strategies that assist African American pregnant and/or parenting woman and the community to understand the known causes of low birth weight.
4. Provide and document referrals to treatment services for various types of substance use to reduce and/or eliminate these behaviors in pregnant and/or parenting African American women.
5. In conjunction with the State's SIDS Program, educate African American families on SIDS in the African American community and strategies to reduce SIDS deaths.

III. ADOLESCENT FAMILY LIFE PROGRAM (AFLP):

The goals and objective of the AFLP Program are:

**Goal No. 1:** To define, coordinate and integrate systems of care that support and assist pregnant and parenting adolescents and their children.

**Objective No. 1:** The County's AFLP will establish and/or actively participate in local collaborative designed to establish, sustain, and enhance comprehensive system of care for children, adolescent and their families.

**Objective No. 2:** In accordance with the AFLP Standards, the County's AFLP will collaborate with a network of local service providers to assure that appropriate and necessary community services are available to clients.

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**Goal No. 2:** To enhance the health, educational achievement, economic, personal and societal integration and independence of pregnant and parenting adolescent through case management.

**Objective No. 1:** In accordance with AFLP Standards, the County's AFLP will provide the Months of Service (MOS) as specified under Performance Requirements to eligible adolescents and their children who are not enrolled in Cal-Learn.

**Objective No. 2:** The County's AFLP will maintain and utilize an updated program Standards Implementation Document (SID) that incorporates the AFLP Standards and MCAH Division AFLP Policies and Procedures.

**Objective No. 3:** The County's AFLP will maintain sufficient staff to administer the program and provide case management services in accordance with AFLP Standards and MCAH Division AFLP Policies and Procedures.

**Objective No. 4:** The County's AFLP will maintain qualified staff to administer the program and provide case management services in accordance with AFLP Standards and MCAH Division AFLP Policies and Procedures.

**Goal No. 3:** To promote implementation of the State MCAH 5-Year Plan and attainment of its goals and objectives as specified in the California MCAH Priorities.

**Objective No. 1:** To promote primary and preventive health care utilization by pregnant and parenting adolescent and their children.

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### III. SCOPE OF REVIEW

The Financial Audit Section's review consisted of three parts:

1. A review of the Scope of Work performance measurable and/or deliverables, and the propriety of required program documentation to ensure compliance with the terms of the Agreement.
2. A review of the financial records to ensure the existence of proper documentation and the propriety of claims submitted to the State for reimbursement.
3. To review the Federal Financial Participation (FFP) time studies to ensure compliance with federal and state guidelines.

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IV. PROGRAM COMPLIANCE

The examination included a review to determine if San Mateo County Health System (County) conducted the program in compliance with Maternal, Child and Adolescent Health (MCAH), Black Infant Health (BIH), and Adolescent Family Life (AFLP) Programs agreement terms and applicable regulatory requirements. The following is a summary of findings relating to this portion of the review.

A. PROGRAM REQUIREMENTS

1. TIMELY SUBMISSION OF INVOICES

The MCAH Division Fiscal Administration Policy and Procedure Manual required the invoices to be submitted to the MCAH Division within 45 calendar day after the close of the billing period and the final invoice must be postmarked no later than 90 calendar days after the Agreement's expiration date. Our review disclosed the following:

- The County could not bill the first two quarters timely as the MCAH Alternate Year Agreement Funding Application (AFA) for Fiscal Year 2009 – 2010 was approved by the MCAH Division on March 9, 2010. MCAH Program Policy Alerts dated September 17, 2009 outlines, "As soon as your budget is approved, you may begin submitting invoices for reimbursement. . . . . Please note that, because of the late budget, the deadline for submitting invoices for the first quarter will be extended." This program policy alerts did not set a new submission date.
- For all three programs (MCAH, BIH, and AFLP), the 3<sup>rd</sup> and 4<sup>th</sup> quarter invoices were submitted to the MCAH Division 15 to 54 days late from the required due dates.

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MCAH Invoices

Invoice Period	Submission Date	Due Date	Status	Date Received by MCAH Division
July - September 2009	July 8, 2010	November 14, 2009	235 Days Late	July 12, 2010
October - December 2009	July 8, 2010	February 14, 2010	144 Days Late	July 12, 2010
January - March 2010	July 8, 2010	May 15, 2010	54 Days Late	July 12, 2010
April - June 2010	October 14, 2010	September 29, 2010	15 Days Late	October 21, 2010

BIH and AFLP Invoices

Invoice Period	Submission Date	Due Date	Status	Date Received by MCAH Division
July - September 2009	June 10, 2010	November 14, 2009	207 Days Late	June 17, 2010
October - December 2009	June 10, 2010	February 14, 2010	116 Days Late	June 17, 2010
January - March 2010	June 10, 2010	May 15, 2010	26 Days Late	June 17, 2010
April - June 2010	October 14, 2010	September 29, 2010	15 Days Late	October 21, 2010

Note: The BIH and AFLP invoices were submitted together to the MCAH Division.

Recommendation:

The County should adhere to the MCAH Program Policy and Procedure Manual in timely submission of the third and fourth quarter invoices as outlined in the Fiscal Administration Policy and Procedure Manual – Invoices, page 65.

2. TIMELY SUBMISSION OF ANNUAL REPORT

The MCAH Division Policy and Procedure Manuals required the County to submit an annual report for each program (MCAH, BIH, and AFLP) under the MCAH Division Agreement. These annual reports were due August 15, 2010. However, on August 10, 2010 the County received written approval from the MCAH Division to extend the annual report due date from August 15 to September 15, 2010. Our review disclosed the County's annual reports were submitted to the MCAH Division on September 1, 2010. The County is in compliance with MCAH policies and procedure in regard to the timely submission of the annual reports.

B. PROGRAM GOALS AND OBJECTIVES

To fulfill the MCAH programs' (MCAH, BIH, and AFLP) goals and objectives as outlined in the Scope of Work, the County was to describe and document the various activities performed to achieve various programs goals and objectives in

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an annual report. The MCAH Division annual report approval letter dated December 7, 2010 states, "Based on administrative and programmatic review, the annual reports was approved as submitted". Therefore, based on MCAH program review, the County has fulfilled the agreements goals and objectives.

We judgmentally reviewed the quantifiable performance measures and deliverables from the 2009-2010 individual programs (MCAH, BIH, and AFLP) annual report disclosed the County has met the MCAH programs goals and objectives. The following is a summary of our review.

1. MATERNAL, CHILD AND ADOLESCENT HEALTH PROGRAM (MCAH)

As part of the MCAH Program Scope of Work (SOW), the County was to operate a toll free telephone service to assist MCAH population. Our review verified that the County has a call log for the toll free telephone service. This log indicated a total of 395 calls were received during the 2009/2010 fiscal year. This review also disclosed the County has procedures in place for the referral of calls to other services within the County and/or to outside agencies.

The SOW also required the County to develop and implement continuous quality improvement program for Comprehensive Perinatal Services Program (CPSP). To achieve this objective, during the fiscal period the County conducted a chart review of four CPSP providers. A review of the County's site visits notes indicated the County selected ten charts from each provider for the review. After this review, the County made recommendations to the CPSP providers ranging from the time frame for an initial assessment to a doctor or a qualified nurse must sign each care plan.

2. BLACK INFANT HEALTH PROGRAM (BIH)

As part of the BIH Program Scope of Work (SOW), the County was required to make 500 to 1,000 community awareness contacts. These contacts involved community outreach which included street and provider outreach, participation at health forums, health fairs and cultural events. The County disclosed in the BIH Annual Report that 6,205 community awareness contacts were made during the fiscal year.

- A review of the County's various community awareness contacts, which were noted on the Outreach Activities Form 5, revealed the County made a little over 6,205 contacts. In February 2010, the County had an Outreach Campaign to make more contacts so they could meet this goal.

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There were numerous estimates on the number of contacts made. For example, the County had a booth and participated at a festival. During this event, the County passed out pamphlets, handouts, and performed face-to-face outreach contacts. The County estimated the number of contacts made based on the number of people attending the festival. The MCAH Division allows estimates for these activities.

- The County was required to provide and identify by type of intervention, the number and/or range of African American clients to be served during the fiscal period. As part of this objective, the County was required to perform the following:
  - 1) Community Exchange Awareness Model: 50 – 100 new clients, plus 40–50 continuing clients;
  - 2) Case Management Model: 10–15 new clients plus 10 continuing clients;
  - 3) Social Support and Empowerment Model: 10–15 new clients. Based on a review of the County’s BIH caseload reports, the County has a total of 111 clients enrolled in the Community Exchange Awareness Model, 30 clients enrolled in the Case Management Model and 11 clients enrolled in the Social Support and Empowerment Model.

We judgmentally selected a sample of 14 BIH intervention (case management and/or social support and empowerment) client files to verify that the client was either pregnant and/or parenting a child who is one year of age or younger. Of the 14 clients files reviewed, 13 clients had infants under one year old and one client was pregnant but dropped out of the program before the birth of the child.

In addition, to the eligibility review, a sample of eight items in the BIH intervention client files was also reviewed. These items documented that BIH case management and/or social support and empowerment services were provided. The documentation ranged from consent to services form to documentation that confirmed various screenings and assessments were performed.

3. ADOLESCENT FAMILY LIFE PROGRAM (AFLP)

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- Months of Services (MOS)

The AFLP program required the County to have 780 Months of Service (MOS). The County's Lodestar Months of Services Report indicates a total of 1,902 MOS. The two individuals budgeted under the AFLP program had 1,025 MOS during the period July 1, 2009 through June 30, 2010.

- Eligibility requirements

The eligibility requirement for enrollment in the AFLP program is adolescent females through the age of 19 years old who are pregnant or parenting. 30 AFLP case management client files were reviewed and all 30 clients met the AFLP eligibility requirement. The review also sampled eleven items which documented that AFLP case management services were provided. This sampling of documentation ranged from the consent to services form to documentation that the various assessments were performed. With the exception of the lack of proper documentation for comprehensive reassessments as noted below, nothing came to our attention to indicate that the County did not comply with the AFLP policies and procedures.

- Case Management Client Comprehensive Reassessment

The MCAH Division Adolescent Family Life Program (AFLP) Policy and Procedure Manual required the County to provide each AFLP case management client an annual comprehensive reassessment. A comprehensive reassessment includes all elements contained in the comprehensive baseline assessment which includes some of the following information: general health, nutrition, family planning/health education, life skilled, employment/job training, psychosocial, safety/abuse, parenting education, etc. The information from the comprehensive assessments enables the case manager to develop the clients Individual Service Plan (ISP). Audits' judgmental sample of 30 AFLP case management client files disclosed the County did not document that an annual comprehensive reassessment was performed in accordance with the AFLP Policies and Procedures.

Recommendation:

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The use of the six month ISP does not meet the requirements of an annual comprehensive reassessments. To avoid future financial recovery the County should adhere to the AFLP Policies and Procedures Manual that they provide an annual comprehensive reassessment to each AFLP case management client. Each annual reassessment should be documented in the client records as outlined in the AFLP Policies and Procedures Manual, Client Participation, Page 23-26.

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V. FISCAL FINDINGS

The following is a discussion of the fiscal findings relating to the Audits and Investigations' examination of San Mateo County Health System (County) Maternal, Child and Adolescent Health, Black Infant Health, and Adolescent Family Life Programs. The details of this or these amounts are included in Schedules A through D of this report.

A. FEDERAL FINANCIAL PARTICIPATION

Financial support for MCAH Programs is partially funded by the federal Medicaid Title XIX funds. This financial support is called Federal Financial Participation (FFP). To claim FFP funds under the MCAH program, the County must participate in the assisting of individuals who are eligible for Medi-Cal to enroll in the Medi-Cal program and/or assisting individuals on Medi-Cal to access Medi-Cal services. There are two factors that determine the amount of FFP the County can claim: Title XIX time studies activities, and the County's Medi-Cal Factor.

1. TITLE XIX TIME STUDIES

The County was required to complete daily time studies for a minimum of one month in every quarter for each person claiming Title XIX activities. The time studies must be consistently performed for each month. For example, the County selected the second month of each quarter to be time studied; thus, the County time studied months: August 2009, November 2009, February 2010, and May 2010.

- *Skilled Professional Medical Personnel*

We reviewed the County's personnel that time studied for non-enhanced (50% Federal Title XIX / 50% County Fund) and enhanced (75% Federal Title XIX / 25% County Funds) and confirmed whether the MCAH requirements of a Skilled Professional Medical Personnel (SPMP) were met. Our review disclosed all persons that time studied non-enhanced and/or enhanced time met the MCAH SPMP requirements.

- *Time Studies*

We traced the time studies hours to the MCAH Time-Study Report for

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accuracy. Our review did not identify any material variances and nothing comes to our attention to indicate the County did not comply with the MCAH policies and procedures regarding the accuracy of the time studies.

2. MEDI-CAL FACTOR (MCF)

The Base Medi-Cal Factor (MCF) is the number of Medi-Cal births divided by total number of live births for a region. The MCF is published annually for the MCAH and BIH programs as a percentage and posted as the Medi-Cal Factor Table on the MCAH Division Fiscal Administration website. The MCAH Program Base MCF was 29.10% for San Mateo County during the period July 1, 2009 through June 30, 2010. A review of the County's Time-Study Data Report disclosed the County used the proper MCF factor for all personnel that worker under each program (MCAH, BIH, and AFLP) except for the MCAH Director, MCAH Coordinator, and Patient Service Assistant whom used a MCF of 29.00% under the MCAH Program. Due to the immateriality of the revised MCF on the reported expenditures, no adjustment will be proposed.

Recommendation:

The County should use the proper Medi-Cal Factor when calculating the Federal Financial Participation Title XIX funding's. (Fiscal Administration Policy and Procedure Manual, Medi-Cal Factor, Page 26)

3. PERSONNEL EXPENDITURE

A reconciliation of the programs' (MCAH, BIH, and AFLP) total personnel (salaries and benefits) expenses invoiced to the MCAH Division revealed the County's records supported the claimed personnel expenses. The distributions of the personnel expense to Title XIX matching funds were supported by the County's Time-Study Data Report. The County's reported personal expenses are in compliance with MCAH Division Policies and Procedures.

B. RECONCILIATION OF PAYMENTS TO BUDGETED AMOUNTS

A reconciliation of the amounts reimbursed, \$632,702, to the budgeted reimburse amounts, disclosed the total payments received by the County did not exceed the total Budget Agreement of \$746,404. In addition, on a program level by unmatched and matching funding sources, the payments received by the County

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did not exceed the budget amounts. The MCAH Division reimbursement of County's program expenditures is in compliance with the Fiscal Administration Policies and Procedures as the programs payment did not exceed the budgeted reimburse amounts. See Schedules A (MCAH Program), B (BIH Program), and C (AFLP) for details.

C. OPERATING EXPENDITURES

1) MATERNAL, CHILD, ADOLESCENT HEALTH

a) TELEPHONE EXPENSES INCORRECTLY CLAIMED TWICE

Our review of the MCAH claimed expenditures disclosed \$7,573 in Nursing Field Services general telephone expenses were incorrectly claimed twice by the County, resulting \$6,021 (Title V - \$4,469 and Non-Enhance - \$1,552) in overpayments by the MCAH Division.

Program Funding	Funding Percentage	Amount Overbilled	Amount of Recovery
Unmatched Title V Funds	100%	\$4,469	\$4,469
Non-Enhance Title XIX Funds	50%	3,104	1,552
Total		\$7,573	\$6,021

This duplication of telephone costs resulted from the County's reclassification of \$9,000 in the Nursing Field Services general telephone costs out of the Nursing Field Services account to directly expensing the costs in the MCAH Program account, of which \$7,573 was directly claimed to the MCAH Program. The County also allocated the Nursing Field Services telephone costs, including the \$9,000 reclassified to the MCAH Program, to various programs under the Nursing Field Services, including the MCAH, BIH and AFLP programs. In essence, the County is being reimbursed twice for the \$9,000 in telephone costs through the MCAH program and also through the BIH and AFLP programs.

Recommendation:

The County should implement policies and procedures that will ensure the amounts claimed on the quarterly invoices are accurate and properly supported. An adjustment is proposed to recover \$6,021 in overpayments related to the duplication of telephone expenses in accordance with OMB

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Circular A-87, Appendix A, Sections C.1.f. through C.1.j. and Fiscal Administration Policy and Procedure Manual, Recovery of Overpayments, Page 72. See Schedules A-1, A-2, and D, Adjustment 2.

b) FOOD / MEALS EXPENSES

A review of the MCAH program expenses disclosed the County paid \$259 to cater a salad buffet for the Risk Assessment Committee meeting (June 23, 2009). The \$259 in catering cost was invoiced and paid by MCAH Division as Unmatched Title V funding. The State MCAH Division policy is that food and/or meals are non-claimable expenses under Title XIX or Title V funds. All food and/or meals purchased by the County should have been claimed under the Unmatched Agency Funding column. This erroneously claimed expense resulted in \$259 overpayment of Title V funds by the MCAH Division. As a result an audit adjustment is proposed to properly classify the \$259 in food and/or meals expenses to the appropriate funding classification.

Recommendation:

The County should implement procedures that will ensure the amounts claimed on the quarterly invoices are program claimable costs under MCAH Division policies. An adjustment is also proposed to recover \$259 in non-claimable Title V food and /or meals expense. See Schedules A-1, A-2, and D, Adjustment 1.

c) TRAVEL AND TRAINING DISTRIBUTION RATE

The MCAH Division Fiscal Administration Policy and Procedure Manual outlined that the travel and training costs cannot be matched (Title XIX - Non-Enhance and Enhance) at a higher percentage than the percentage of matched that was claimed by the personnel whom are traveling and/or attending training. Our review disclosed the County claimed the budgeted matched rate for travel and training costs which exceeded the actual matched rate for personnel whom were traveling and/or attending training. The amounts identified were deemed immaterial. However, the County should not use the budgeted percentage as this is not reflective of actual matching (Title XIX- Non-Enhance and Enhance) time the personnel spent on travel and/or attending training.

Recommendation:

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To avoid future financial recovery, the County should implement procedures that will ensure the distribution rate for travel and training costs being matched is not at a higher rate for those personnel whom are traveling and/or attending training.

**2) BLACK INFANT HEALTH**

A reconciliation of reviewed BIH Unmatched Title V Operating Expense of \$47,011 to the total amount invoiced to the MCAH Division, \$49,364, disclosed that \$2,353 in Title V expenses was overpaid to County (See Schedule B for details). The overpayment consisted of the following:

a. Food/Meals

The County invoiced and was paid \$3,205 in food/meals costs by MCAH Division as Unmatched Title V funding. The MCAH Division policy is that food and/or meals are non-claimable expenses under Title XIX or Title V funds. All food and/or meals purchased by the County should have been claimed under the Unmatched Agency Funding column. This erroneously claimed expense resulted in \$3,205 overpayment of Title V funds by the MCAH Division.

b. Rental Expenses

An additional \$852 in building leases and rentals costs was added to the Title V Operating Expense. This additional Operating Expense was caused by the County erroneously distributed a full year of leases and rentals expenses in the fourth quarter between the Unmatched Title V and Agency funding. A re-distribution of the building leases and rental cost in the quarters the costs were incurred added an additional \$852 to the Title V Operating Expense.

As a result of our review of these two expense items, an adjustment is proposed to properly classify \$2,353 to the appropriate funding classification. See Schedules B-1, B-2, and D, Adjustment 3.

Recommendation:

The County should implement procedures that will ensure the amounts claimed on the quarterly invoices are program claimable costs under MCAH

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Division policies and that the invoices are accurate. As a result of the preceding, an adjustment is also proposed to recover \$2,353 in non-claimable Title V food and /or meals expense in accordance with OMB Circular A-87, Appendix A, Sections C.1. and C.2., OMB Circular A-87, Appendix B, Section 14, Fiscal Administration Policy and Procedure Manual, Recovery of Overpayments, Page 72.

**3. ADOLESCENT FAMILY LIFE PROGRAM**

a) TRAVEL EXPENSES

The MCAH Fiscal Administration Policies and Procedures Manual requires the County to obtain prior written approval from the MCAH Division for travel and training costs for personnel not listed on the budget, but who contribute a portion of their time to the AFLP program. A reconciliation of the County's AFLP expenditures showed the County claimed \$1,737 in travel expenses for personnel not budgeted under the AFLP program on the first and second quarter invoices. The County did not have prior written approval from the MCAH Division to invoice these individuals travel expenses.

Our detail review of the travel expenditures for the fiscal year disclosed the County incurred \$4,270 in travel costs related to the individuals budgeted under the AFPL program. This amount exceeds the \$1,737 in erroneously invoiced travel expense. The County's actual operating expense (travel, training, client transportation, etc.) related the AFLP program activities exceeded the program budget amount.

Recommendation:

To prevent future recovery, the County must receive prior written approval to claim travel costs for staff not listed on the program budget.

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## VI. SYSTEMS AND PROCEDURES

The management of San Mateo County Health System is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but no absolute, assurance the assets are safeguarded against loss, from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We have not made a study and evaluation of the County's system of internal controls due to the limited scope details in Section III of this report. As a result, we placed no reliance on the internal control system. The audit was performed by expanding audit tests to ensure the fair presentation of program costs.

Further, based on our review, nothing came to our attention to indicate that the County has not complied with the material terms and conditions of the Agreement beyond the finding noted in the report.

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## VII. SCHEDULES

The following schedules of financial data have been included in this report to summarize the amounts claimed and paid under this agreement. If any adjustments have been proposed to the claimed amounts, they are reflected in these schedules and discussed in the Fiscal Findings Section of this report as well as in the Explanation of Audit Adjustments.

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#### VIII. COUNTY'S RESPONSE TO ADJUSTMENTS/FINDINGS

A discussion of the review findings and adjustments was made with San Mateo County Health System (County) representatives at the Exit Conference on October 26, 2011.

The County did not submit additional information and/or documentation for further consideration regarding the findings and adjustments.

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## IX. STATE PROGRAM RESPONSE TO ADJUSTMENTS/FINDINGS

A draft copy of this report was submitted to the MCAH Division for their review prior to the report being finalized and released to San Mateo County Health System.

This audit report was discussed with both the MCAH Division and San Mateo County representatives at the Exit Conference on October 26, 2011. There were no revisions made to this audit report as a result of their review.

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<u>Line No.</u>	<u>Budgeted Categories</u>	<u>Audit Adjustment Nos.</u>	<u>Budget Amount</u>	<u>Over/(Under) Expended</u>	<u>Claimed Amount</u>	<u>Audit Adjustment</u>	<u>Audited Amount</u>	<u>Audited Amount Paid by County</u>	<u>Audited Amount Paid Federal Title V</u>	<u>Audited Amount Paid Federal Title XIX</u>
1.	Personnel		\$ 231,285	\$ (129)	\$ 231,156	\$ -	\$ 231,156	\$ 114,105	\$ 87,805	\$ 29,246
2.	Operating Expenses	1, 2	43,000	(13,850)	29,150	(7,573)	21,577	3,333	15,169	3,075
3.	Capital Expenditures		-	-	-	-	-	-	-	-
4.	Other Costs		123,118	(112,570)	10,548	-	10,548	9,056	-	1,492
5.	Indirect Costs		<u>16,882</u>	<u>(1)</u>	<u>16,881</u>	<u>-</u>	<u>16,881</u>	<u>6,975</u>	<u>8,097</u>	<u>1,809</u>
	<b>Total Expenditures</b>		<u>\$ 414,285</u>	<u>\$ (126,550)</u>	<u>\$ 287,735</u>	<u>\$ (7,573)</u>	<u>\$ 280,162</u>	\$ 133,469	\$ 111,071	\$ 35,622
	<b>Amount Paid</b>						<u>134,762</u>	<u>115,799</u>	<u>37,174</u>	
	<b>MCAH Recovery</b>	4					<u>\$ (1,293) *</u>	<u>\$ (4,728)</u>	<u>\$ (1,552)</u>	

\* No recovery of County monies.

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<b><u>Federal Title V</u></b>								
1.	Personnel		\$ 87,805	\$ -	\$ 87,805	\$ -	\$ 87,805	\$ -
2.	Operating Expenses	1, 2	19,897	(4,728)	15,169	-	15,169	-
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-
5.	Indirect Costs		8,097	-	8,097	-	8,097	-
	Sub-Total		<u>\$ 115,799</u>	<u>\$ (4,728)</u>	<u>\$ 111,071</u>	<u>\$ -</u>	<u>\$ 111,071</u>	<u>\$ -</u>
<b><u>Agency - Local Revenue</u></b>								
1.	Personnel		\$ 92,853	\$ -	\$ 92,853	\$ 92,853	\$ -	\$ -
2.	Operating Expenses	1	-	259	259	259	-	-
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		7,564	-	7,564	7,564	-	-
5.	Indirect Costs		5,167	-	5,167	5,167	-	-
	Sub-Total		<u>\$ 105,584</u>	<u>\$ 259</u>	<u>\$ 105,843</u>	<u>\$ 105,843</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>County - Non-Enhanced</u></b>								
1.	Personnel		\$ 34,524	\$ -	\$ 34,524	\$ 17,262	\$ -	\$ 17,262
2.	Operating Expenses	2	9,253	(3,104)	6,149	3,074	-	3,075
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		2,984	-	2,984	1,492	-	1,492
5.	Indirect Costs		3,617	-	3,617	1,808	-	1,809
	Sub-Total		<u>\$ 50,378</u>	<u>\$ (3,104)</u>	<u>\$ 47,274</u>	<u>23,635</u>	<u>-</u>	<u>\$ 23,639</u>
<b><u>County - Enhanced</u></b>								
1.	Personnel		\$ 15,974	\$ -	\$ 15,974	\$ 3,991	\$ -	\$ 11,983
2.	Operating Expenses		-	-	-	-	-	-
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-
5.	Indirect Costs		-	-	-	-	-	-
	Sub-Total		<u>\$ 15,974</u>	<u>-</u>	<u>\$ 15,974</u>	<u>\$ 3,991</u>	<u>\$ -</u>	<u>\$ 11,983</u>
	Total Expenditures		<u><u>\$ 287,735</u></u>	<u><u>\$ (7,573)</u></u>	<u><u>\$ 280,162</u></u>	<u><u>\$ 133,469</u></u>	<u><u>\$ 111,071</u></u>	<u><u>\$ 35,622</u></u>

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<u>Line No.</u>	<u>Budgeted Categories</u>	<u>Audit Adjustment Nos.</u>	<u>Budget Amount</u>	<u>Over/(Under) Expended</u>	<u>Claimed Amount</u>	<u>Audit Adjustment</u>	<u>Audited Amount</u>	<u>Audited Amount Paid by County</u>	<u>Audited Amount Paid Federal Title V</u>	<u>Audited Amount Paid Federal Title XIX</u>
1.	Personnel		\$ 738,587	\$ (12,429)	\$ 726,158	\$ -	\$ 726,158	\$ 464,868	\$ 126,182	\$ 135,108
2.	Operating Expenses	3	66,001	(784)	65,217	-	65,217	11,553	47,011	6,653
3.	Capital Expenditures		-	-	-	-	-	-	-	-
4.	Other Costs		127,618	(86,224)	41,394	-	41,394	32,311	-	9,083
5.	Indirect Costs		<u>52,382</u>	<u>(881)</u>	<u>51,501</u>	<u>-</u>	<u>51,501</u>	<u>9,523</u>	<u>32,731</u>	<u>9,247</u>
	<b>Total Expenditures</b>		<u>\$ 984,588</u>	<u>\$ (100,318)</u>	<u>\$ 884,270</u>	<u>\$ -</u>	<u>\$ 884,270</u>	\$ 518,255	\$ 205,924	\$ 160,091
	<b>Amount Paid</b>						<u>515,902</u>	<u>208,277</u>	<u>160,091</u>	
	<b>BIH Recovery</b>	5					<u>\$ 2,353</u> *	<u>\$ (2,353)</u>	<u>\$ -</u>	

\* No recovery of County monies.

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Line No.	Budgeted Categories	Audit Adjustment Nos.	Claimed Amount	Audit Adjustment	Audited Amount	Audited Amount Paid by County	Audited Amount Paid Federal Title V	Audited Amount Paid Federal Title XIX
<b><u>Federal Title V</u></b>								
1.	Personnel		\$ 126,182	\$ -	\$ 126,182	\$ -	\$ 126,182	\$ -
2.	Operating Expenses	3	49,364	(2,353)	47,011	-	47,011	-
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-
5.	Indirect Costs		32,731	-	32,731	-	32,731	-
	Sub-Total		<u>\$ 208,277</u>	<u>\$ (2,353)</u>	<u>\$ 205,924</u>	<u>\$ -</u>	<u>\$ 205,924</u>	<u>\$ -</u>
<b><u>Agency - Local Revenue</u></b>								
1.	Personnel		\$ 339,221	\$ -	\$ 339,221	\$ 339,221	\$ -	\$ -
2.	Operating Expenses	3	2,547	2,353	4,900	4,900	-	-
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		23,229	-	23,229	23,229	-	-
5.	Indirect Costs		277	-	277	277	-	-
	Sub-Total		<u>\$ 365,274</u>	<u>\$ 2,353</u>	<u>\$ 367,627</u>	<u>\$ 367,627</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>County - Non-Enhanced</u></b>								
1.	Personnel		\$ 241,838	\$ -	\$ 241,838	\$ 120,919	\$ -	\$ 120,919
2.	Operating Expenses		13,306	-	13,306	6,653	-	6,653
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		18,165	-	18,165	9,082	-	9,083
5.	Indirect Costs		18,493	-	18,493	9,246	-	9,247
	Sub-Total		<u>\$ 291,802</u>	<u>\$ -</u>	<u>\$ 291,802</u>	<u>\$ 145,900</u>	<u>\$ -</u>	<u>\$ 145,902</u>
<b><u>County - Enhanced</u></b>								
1.	Personnel		\$ 18,917	\$ -	\$ 18,917	\$ 4,728	\$ -	\$ 14,189
2.	Operating Expenses		-	-	-	-	-	-
3.	Capital Expenditure		-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-
5.	Indirect Costs		-	-	-	-	-	-
	Sub-Total		<u>\$ 18,917</u>	<u>\$ -</u>	<u>\$ 18,917</u>	<u>\$ 4,728</u>	<u>\$ -</u>	<u>\$ 14,189</u>
	Total Expenditure		<u><u>\$ 884,270</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 884,270</u></u>	<u><u>\$ 518,255</u></u>	<u><u>\$ 205,924</u></u>	<u><u>\$ 160,091</u></u>

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**SUMMARY OF AUDITED AFLP PROGRAM EXPENDITURES**

<u>Line No.</u>	<u>Budgeted Categories</u>	<u>Audit Adjustment Nos.</u>	<u>Budget Amount</u>	<u>Over/(Under) Expended</u>	<u>Claimed Amount</u>	<u>Audit Adjustment</u>	<u>Audited Amount</u>	<u>Audited Amount Paid by County</u>	<u>Audited Amount Paid Federal Title V</u>	<u>Audited Amount Paid Federal Title XIX</u>
1.	Personnel		\$ 192,236	\$ 40,896	\$ 233,132	\$ -	\$ 233,132	\$ 139,986	\$ 93,146	\$ -
2.	Operating Expenses		11,468	-	11,468	-	11,468	6,984	4,484	-
3.	Capital Expenditures		-	-	-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-	-	-
5.	Indirect Costs		<u>13,731</u>	<u>3,890</u>	<u>17,621</u>	<u>-</u>	<u>17,621</u>	<u>3,890</u>	<u>13,731</u>	<u>-</u>
	<b>Total Expenditures</b>		<u>\$ 217,435</u>	<u>\$ 44,786</u>	<u>\$ 262,221</u>	<u>\$ -</u>	<u>\$ 262,221</u>	\$ 150,860	\$ 111,361	\$ -
	<b>Amount Paid</b>						<u>150,860</u>	<u>111,361</u>	<u>-</u>	
	<b>AFLP Recovery</b>						<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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**Alternate Year Funding Period: July 1, 2009 through June 30, 2010**

**SUMMARY OF AUDITED AFLP PROGRAM EXPENDITURES BY FUNDING**

<u>Line No.</u>	<u>Budgeted Categories</u>	<u>Audit Adjustment Nos.</u>	<u>Budget Amount</u>	<u>Over/(Under) Expended</u>	<u>Claimed Amount</u>	<u>Audit Adjustment</u>	<u>Audited Amount</u>	<u>Audited Amount Paid by County</u>	<u>Audited Amount Paid Federal Title V</u>	<u>Audited Amount Paid Federal Title XIX</u>
<b><u>Federal Title V</u></b>										
1.	Personnel		\$ 93,146	\$ -	\$ 93,146	\$ -	\$ 93,146	\$ -	\$ 93,146	\$ -
2.	Operating Expenses		4,484	-	4,484	-	4,484	-	4,484	-
3.	Capital Expenditure		-	-	-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-	-	-
5.	Indirect Costs		13,731	-	13,731	-	13,731	-	13,731	-
	Sub-Total		<u>\$ 111,361</u>	<u>\$ -</u>	<u>\$ 111,361</u>	<u>\$ -</u>	<u>\$ 111,361</u>	<u>\$ -</u>	<u>\$ 111,361</u>	<u>\$ -</u>
<b><u>Agency - Local Revenue</u></b>										
1.	Personnel		\$ 99,090	\$ 40,896	\$ 139,986	\$ -	\$ 139,986	\$ 139,986	\$ -	\$ -
2.	Operating Expenses		6,984	-	6,984	-	6,984	6,984	-	-
3.	Capital Expenditure		-	-	-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-	-	-
5.	Indirect Costs		-	3,890	3,890	-	3,890	3,890	-	-
	Sub-Total		<u>\$ 106,074</u>	<u>\$ 44,786</u>	<u>\$ 150,860</u>	<u>\$ -</u>	<u>\$ 150,860</u>	<u>\$ 150,860</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>County - Non-Enhanced</u></b>										
1.	Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Operating Expenses		-	-	-	-	-	-	-	-
3.	Capital Expenditure		-	-	-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-	-	-
5.	Indirect Costs		-	-	-	-	-	-	-	-
	Sub-Total		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>County - Enhanced</u></b>										
1.	Personnel		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2.	Operating Expenses		-	-	-	-	-	-	-	-
3.	Capital Expenditure		-	-	-	-	-	-	-	-
4.	Other Costs		-	-	-	-	-	-	-	-
5.	Indirect Costs		-	-	-	-	-	-	-	-
	Sub-Total		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Total Expenditures		<u>\$ 217,435</u>	<u>\$ 44,786</u>	<u>\$ 262,221</u>	<u>\$ -</u>	<u>\$ 262,221</u>	<u>\$ 150,860</u>	<u>\$ 111,361</u>	<u>\$ -</u>

County Name		Alternate Year Funding Period:		Agreement Number		Adjustments	
SAN MATEO COUNTY HEALTH SYSTEM		JULY 1, 2009 THROUGH JUNE 30, 2010		200941		5	
Report References							
Adj. No.	Audit Report	Invoice or Claim					
	Schedule	Line	Form #	Line	As Reported	Increase (Decrease)	As Adjusted
<b>ADJUSTMENT / RECLASSIFICATION TO REPORTED MCAH COSTS</b>							
1	A-1, A-2 A-1, A-2	II II	MCAH BIT MCAH BIT	II II	\$19,897 0	(\$259) 259	\$19,638 * 259
Operating Expense - Federal Title V Operating Expense - Agency-Local Revenue To reclassify food and meals costs as these costs are non-claimable program Title V costs. OMB Circular A-87, Appendix A, Sections C.1 and C.2							
2	A-1, A-2 A-1, A-2	II II	MCAH BIT MCAH BIT	II II	\$19,638 9,253	(\$4,469) (3,104)	\$15,169 6,149
Operating Expense - Federal Title V * Operating Expense - County-Non-Enhanced To eliminated duplicate claimed telephone expense. OMB Circular A-87, Appendix A, Sections C.1.f through C.1.j.							

\*Balance carried forward from prior/to subsequent adjustments

County Name		Alternate Year Funding Period:		Agreement Number		Adjustments	
SAN MATEO COUNTY HEALTH SYSTEM		JULY 1, 2009 THROUGH JUNE 30, 2010		200941		5	
Report References							
Adj. No.	Audit Report	Invoice or Claim		As Reported	Increase (Decrease)	As Adjusted	
	Schedule	Line	Form #				
3	B-1, B-2	II	MCAH BIT	II	\$49,364	(\$2,353)	\$47,011
	B-1, B-2	II	MCAH BIT	II	2,547	2,353	4,900
<p style="text-align: center;"><b>RECLASSIFICATION TO REPORTED BIH COSTS</b></p> <p>Operating Expense - Federal Title V</p> <p>Operating Expense - Agency-Local Revenue</p> <p>To reclassify food and meals costs as these costs are non-claimable program Title V costs.</p> <p>OMB Circular A-87, Appendix A, Sections C.1 and C.2</p> <p>OMB Circular A-87, Appendix B, Sections 14</p>							

County Name		Alternate Year Funding Period:		Agreement Number		Adjustments	
SAN MATEO COUNTY HEALTH SYSTEM		JULY 1, 2009 THROUGH JUNE 30, 2010		200941		5	
Report References							
Adj. No.	Audit Report	Invoice or Claim		AS Reported	Increase (Decrease)	AS Adjusted	
	Schedule	Line	Form #				
4	A-1, A-2 A-1, A-2	Not Reported Not Reported		\$0 0	(\$4,728) (1,552)	(\$4,728) (1,552)	
<p style="text-align: center;"><b>ADJUSTMENTS TO OTHER MATTERS</b></p> <p>MCAH Overpayment - Federal Title V                      MCAH Overpayment - County-Non-Enhanced                      To recover MCAH Program overpayment related to Audit Adjustment Numbers 1 and 2.                      MCAH Fiscal Administration Policy and Procedures Manual, Recovery of Overpayments, Page 72</p>							
5	B-1, B-2	Not Reported		\$0	(\$2,353)	(\$2,353)	
<p>BIH Overpayment - Federal Title V                      To recover MCAH Program overpayment related to Audit Adjustment Number 3.                      MCAH Fiscal Administration Policy and Procedures Manual, Recovery of Overpayments, Page 72</p>							