

**REPORT  
ON THE  
FEDERALLY QUALIFIED HEALTH CENTER  
CHANGE IN SCOPE-OF-SERVICE REQUEST  
SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER  
FQHC PROVIDER NUMBER (NPI): 1073515425**

**FISCAL PERIOD ENDED  
MARCH 31, 2013**

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

**Section Chief: Michael Harrold  
Audit Supervisor: Kristina Nacino  
Auditor: Lisa Merrill**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

January 14, 2014

Consuelo E. Cantu, CFO  
Clinica Sierra Vista  
1430 Truxtun Avenue, 4th Floor  
Bakersfield, CA 93301

PROVIDER LEGAL NAME: SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER  
FQHC PROVIDER NO. (NPI): 1073515425  
FISCAL PERIOD ENDED MARCH 31, 2013

SUBJECT: CHANGE IN SCOPE-OF-SERVICE REQUEST

We have examined the Clinic's Federally Qualified Health Center (FQHC) Change in Scope-of-Service Request for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code. The review was limited to the Change in Scope-of-Service Request and the supporting documentation.

The prospective payment system (PPS) rates as presented in Schedule 1 represents a proper determination in accordance with the reimbursement principles of the program. The rates and effective dates are as follows:

<u>PPS Rate</u>	<u>Effective Dates</u>
\$117.62	April 1, 2013 through September 30, 2013

In addition, your rate will be increased to \$118.56, effective October 1, 2013 to reflect the MEI increase of 0.8%

This determination includes:

1. Computation of Audited PPS Rate (Schedule 1) and supporting schedules
2. Audit Adjustments that include a summary of the total due the State in the amount of \$334, which resulted from Medi-Cal overpayments

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..

If you have further questions regarding this report, please contact Audits Section—Fresno, at (559) 446-2458.

Sincerely,

Original Signed by

Michael Harrold, Chief  
Audit Section—Fresno  
Financial Audits Branch

Enclosure  
Certified

## COMPUTATION OF CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name:

Provider No. (NPI)

Fiscal Period Ended:

SOUTH BAKERSFIELD COMMUNITY HEALTH  
CENTER

1073515425

MARCH 31, 2013

**PART A - DETERMINATION OF OVERHEAD APPLICABLE TO FQHC/RHC SERVICES**

	REPORTED	AUDITED
1. Total FQHC/RHC Health Care Services Cost (Sch 2, Ln 29)	\$ 1,725,626	\$ 1,635,472
2. Nonreimbursable FQHC/RHC Costs Excluding Overhead (Sch 2, Ln 57)	\$ -	\$ -
3. Cost of All Services Excluding Overhead (Ln 1 + Ln 2)	\$ 1,725,626	\$ 1,635,472
4. Percentage of Nonreimbursable FQHC/RHC Costs (Ln 2 / Ln 3)	0.000000	0.000000
5. Total Overhead -(Sch 2, Ln 53)	\$ 865,474	\$ 805,681
6. Overhead Applicable to Non-Reimbursable FQHC/RHC Costs (Ln 5 x Ln 4)	\$ -	\$ -
7. Overhead Applicable to FQHC/RHC Services (Ln 5 - Ln 6)	\$ 865,474	\$ 805,681
8. Total Cost of FQHC/RHC Services (Ln 1 + Ln 7)	\$ 2,591,100	\$ 2,441,153

**PART B - DETERMINATION OF FQHC/RHC RATE**

1. Total FQHC/RHC Cost (PART A, Ln 8)	\$ 2,591,100	\$ 2,441,153
2. Total FQHC/RHC Visits (From Provider Records) (Adj. 11)	19,366	19,370
3. Total FQHC/RHC Nonreimbursable Services Visits (From Provider Records) (Adj. )	-	-
4. Total FQHC/RHC Adjusted Visits (Ln 2 - Ln 3)	19,366	19,370
5. FQHC/RHC Cost Per Visit (Ln 1 / Ln 4)	\$ 133.80	\$ 126.03

**PART C - DETERMINATION OF PPS RATE ADJUSTMENT**

1. FQHC/RHC Cost Per Visit (PART B, Ln 5)	\$ 133.80	\$ 126.03
2. Current PPS rate per visit	\$ 83.97	\$ 83.97
3. Net Increase or Decrease in FQHC/RHC Rate (Ln 1 - Ln 2) Show decrease in parenthesis	\$ 49.83	\$ 42.06

If line 3 is greater than zero (Line 1 is greater than Line 2) , proceed to line 4.

If line 3 is less than zero ( Line 1 is less than line 2), proceed to line 5.

4. Threshold Amount: Line 2 x 1.75% ( Complete Part D if an increase on Line 3 is <b>equal</b> to or <b>greater</b> than this amount)	\$ 1.47	\$ 1.47
5. Threshold Amount: Line 2 x 2.50% ( Complete Part D if a decrease on Line 3 is <b>greater</b> than this amount)	\$ -	\$ 2.10

**PART D - FQHC/RHC RATE CHANGE**

1. FQHC/RHC Rate increase or decrease (PART C, Ln 3) Show decrease in parenthesis	\$ 49.83	\$ 42.06
2. FQHC/RHC Rate increase or decrease adjustment of 20% (Ln 1 x 20%)	\$ 9.97	\$ 8.41
3. FQHC/RHC Rate increase or decrease after adjustment of 20% (Ln 1 - Ln 2)	\$ 39.86	\$ 33.65
4. Current PPS rate per visit (from Line C2)	\$ 83.97	\$ 83.97
5. New PPS Rate (Ln 3 plus Ln 4)	\$ 123.83	\$ 117.62

**PART E - MEDI-CAL OVERPAYMENT**

1. Duplicate Payments (Adj )	\$ -	\$ -
2. Medi-Cal Overpayments Due State (Adj 12)	\$ -	\$ (334.00)
3. Total Medi-Cal Settlement Due	\$ -	\$ (334.00)

CHANGE IN SCOPE-OF-SERVICE REQUEST  
SCHEDULE OF TRIAL BALANCE EXPENSEProvider Legal Name:  
SOUTH BAKERSFIELD COMMUNITY HEALTH  
CENTERProvider No. (NPI)  
1073515425Fiscal Period Ended:  
MARCH 31, 2013

Cost Center	REPORTED	ADJUSTMENTS (From Sch 2A)	AUDITED
<b>FQHC Health Care Cost</b>			
1. Physician	\$664,663	(\$85,407)	\$579,256
2. Physician Assistant	70,120	0	70,120
3. Nurse Practitioner	72,970	(1,481)	71,489
4. Other Nurse	399,147	0	399,147
5. Lab/X-Ray Technician	94,510	0	94,510
6. Mental Health & Social Services	215	0	215
7. Support Staff	185,824	(2,742)	183,082
8. Medical Records	51,721	0	51,721
9. Dietician	3,241	0	3,241
10. CPSP Health Educator	42,181	0	42,181
11.	0	0	0
12.	0	0	0
13. Subtotal-FQHC Health Care Costs	\$1,584,592	(\$89,630)	\$1,494,962
14. Physician Services Under Agreement	\$27,200	(\$524)	\$26,676
15. Physician Supervision	0	0	0
16.	0	0	0
<b>17. Other Health Care Costs</b>			
18. Pharmacy	\$0	\$0	\$0
19. Dental	0	0	0
20. Optometry	0	0	0
21. Medical Supplies	83,455	0	83,455
22. Depreciation-Medical Equipment	15,220	0	15,220
23. Professional Liability Insurance	8,167	0	8,167
24. Home Office Pool Cost (from HOCR-schedule 6)	5,000	0	5,000
25. Lab and Radiology	0	0	0
26. Continuing Medical Education	1,992	0	1,992
27. Electronic Medical Records	0	0	0
28. Subtotal-Other Health Care Costs	\$113,834	\$0	\$113,834
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	\$1,725,626	(\$90,154)	\$1,635,472
<b>FQHC Overhead-Facility Cost</b>			
30. Rent	\$104,261	(9,450)	\$94,811
31. Insurance	4,117	(530)	3,587
32. Interest Expense	16,149	(16,149)	0
33. Utilities	25,567	(2,173)	23,394
34. Depreciation-Building	0	847	847
35. Depreciation-Equipment	0	0	0
36. Housekeeping And Maintenance	93,735	(23,464)	70,271
37. Property Tax	6	0	6
38. Minor Equipment	14,235	(1,831)	12,404
39. Home Office Pool Costs (from HOCR-schedule 6)	35,855	0	35,855
40.	0	0	0
41. Subtotal-Facility Costs (Lines 30-40)	\$293,925	(\$52,750)	\$241,175
<b>FQHC Overhead-Administrative Cost</b>			
42. Office Salaries	\$72,627	(\$2,439)	\$70,188
43. Depreciation-Office Equipment	5,230	(497)	4,733
44. Office Supplies	57,164	(2,492)	54,672
45. Legal	0	0	0
46. Accounting	0	0	0
47. Insurance	0	0	0
48. Telephone	16,211	(1,106)	15,105
49. Fringe Benefits And Payroll Taxes	0	0	0
50. Home Office Pool Costs (from HOCR-schedule 6)	301,833	0	301,833
51. Other Administrative Costs	118,484	(509)	117,975
52. Subtotal-Administrative Costs (Lines 42-51)	\$571,549	(\$7,043)	\$564,506
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	\$865,474	(\$59,793)	\$805,681
54. Nonreimbursable Costs (Nonallowable Costs)	\$0	\$0	\$0
55.	0	0	0
56.	0	0	0
57. Subtotal Nonreimbursable Costs	\$0	\$0	\$0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	\$2,591,100	(\$149,947)	\$2,441,153

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name  
 SOUTH BAKERSFIELD COMMUNITY HEALTH  
 CENTER

Provider No. (NPI)  
 1073515425

Fiscal Period Ended  
 MARCH 31, 2013

Cost Center	Total	Adjustment (No. 1)	Adjustment (No. 2)	Adjustment (No. 3)	Adjustment (No. 4)	Adjustment (No. 5)	Adjustment (No. 6)
<b>FQHC Health Care Cost</b>							
1. Physician	(85,407)			(85,407)			
2. Physician Assistant	0						
3. Nurse Practitioner	(1,481)			(1,481)			
4. Other Nurse	0						
5. Lab/X-Ray Technician	0						
6. Mental Health & Social Services	0						
7. Support Staff	(2,742)						
8. Medical Records	0						
9. Dietician	0						
10. CPSP Health Educator	0						
11.	0						
12.	0						
13. Subtotal-FQHC Health Care Costs	(89,630)	0	0	(86,888)	0	0	0
14. Physician Services Under Agreement	(524)					(524)	
15. Physician Supervision	0						
16.	0						
<b>Other Health Care Costs</b>							
17. Pharmacy	0						
18. Dental	0						
19. Optometry	0						
20. Medical Supplies	0						
21. Depreciation-Medical Equipment	0						
22. Professional Liability Insurance	0						
23. Home Office Pool Cost (from HOCR-schedule 6)	0						
24. Lab and Radiology	0						
25. Continuing Medical Education	0						
26. Electronic Medical Records	0						
27. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
28. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
29. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	(90,154)	0	0	(86,888)	0	(524)	0
<b>FQHC Overhead-Facility Cost</b>							
30. Rent	(9,450)						(316)
31. Insurance	(530)						(180)
32. Interest Expense	(16,149)		(16,149)				
33. Utilities	(2,173)						
34. Depreciation-Building	847						
35. Depreciation-Equipment	0						
36. Housekeeping And Maintenance	(23,464)						
37. Property Tax	0						
38. Minor Equipment	(1,831)						(621)
39. Home Office Pool Costs (from HOCR-schedule 6)	0						
40.	0						
41. Subtotal-Facility Costs (Lines 30-40)	(52,750)	0	(16,149)	0	0	0	(1,117)
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries	(2,439)			(2,439)			
43. Depreciation-Office Equipment	(497)	(269)					(228)
44. Office Supplies	(2,492)						(2,492)
45. Legal	0						
46. Accounting	0						
47. Insurance	0						
48. Telephone	(1,106)						(707)
49. Fringe Benefits And Payroll Taxes	0						
50. Home Office Pool Costs (from HOCR-schedule 6)	0						
51. Other Administrative Costs	(509)				(509)		
52. Subtotal-Administrative Costs (Lines 42-51)	(7,043)	(269)	0	(2,439)	(509)	0	(3,427)
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(59,793)	(269)	(16,149)	(2,439)	(509)	0	(4,544)
54. Nonreimbursable Costs (Nonallowable Costs)	0						
55.	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)	(149,947)	(269)	(16,149)	(89,327)	(509)	(524)	(4,544)

ADJUSTMENTS TO CHANGE IN SCOPE-OF-SERVICE REQUEST

Provider Legal Name	Provider No.	Fiscal Period Ended					
SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER	1073515425	MARCH 31, 2013					
Cost Center	Adjustment (No. 7)	Adjustment (No. 8)	Adjustment (No. 9)	Adjustment (No. 10)	Adjustment (No. )	Adjustment (No. )	Adjustment (No. )
<b>FQHC Health Care Cost</b>							
1. Physician							
2. Physician Assistant							
3. Nurse Practitioner							
4. Other Nurse							
5. Lab/X-Ray Technician							
6. Mental Health & Social Services							
7. Support Staff		(2,742)					
8. Medical Records							
9. Dietician							
10. CPSP Health Educator							
11.							
12.							
13. Subtotal-FQHC Health Care Costs	0	(2,742)	0	0	0	0	0
14. Physician Services Under Agreement							
15. Physician Supervision							
16.							
<b>Other Health Care Costs</b>							
17. Pharmacy							
18. Dental							
19. Optometry							
20. Medical Supplies							
21. Depreciation-Medical Equipment							
22. Professional Liability Insurance							
23. Home Office Pool Cost (from HOCR-schedule 6)							
24. Lab and Radiology							
25. Continuing Medical Education							
26. Electronic Medical Records							
27. Subtotal-Other Health Care Costs	0	0	0	0	0	0	0
28. Total Cost of FQHC Services (Sum of Lines 13, 14, 15, 16, and 28)	0	(2,742)	0	0	0	0	0
<b>FQHC Overhead-Facility Cost</b>							
30. Rent	(272)	(8,862)					
31. Insurance		(350)					
32. Interest Expense							
33. Utilities		(2,173)					
34. Depreciation-Building				847			
35. Depreciation-Equipment							
36. Housekeeping And Maintenance		(6,528)	(16,936)				
37. Property Tax							
38. Minor Equipment		(1,210)					
39. Home Office Pool Costs (from HOCR-schedule 6)							
40.							
41. Subtotal-Facility Costs (Lines 30-40)	(272)	(19,123)	(16,936)	847	0	0	0
<b>FQHC Overhead-Administrative Cost</b>							
42. Office Salaries							
43. Depreciation-Office Equipment							
44. Office Supplies							
45. Legal							
46. Accounting							
47. Insurance							
48. Telephone		(399)					
49. Fringe Benefits And Payroll Taxes							
50. Home Office Pool Costs (from HOCR-schedule 6)							
51. Other Administrative Costs							
52. Subtotal-Administrative Costs (Lines 42-51)	0	(399)	0	0	0	0	0
53. Total Cost Subject To Allocation (Sum of Lines 41 and 52)	(272)	(19,522)	(16,936)	847	0	0	0
<b>Nonreimbursable Costs (Nonallowable Costs)</b>							
54. Nonreimbursable Costs (Nonallowable Costs)							
55.							
56.							
57. Subtotal Nonreimbursable Costs	0	0	0	0	0	0	0
58. Total FQHC Costs (Sum of Lines 29, 53, and 57)	(272)	(22,264)	(16,936)	847	0	0	0

Provider Legal Name				Fiscal Period		Provider Number (NPI)		Adjustments	
SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER				APRIL 1, 2012 THROUGH MARCH 31, 2013		1073515425		12	
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Change in Scope-of-Service Report		Change in Scope-of-Service Request						
	Schedule	Line	Worksheet						Line
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>									
1	2A	43	2	43	Depreciation - Office Equipment To adjust depreciation expense to agree with the provider's detailed depreciation schedules. 42 CFR 413.20, 413.24 and 413.134 CMS Pub. 15-1, Sections 102 and 2304	\$5,230	(\$269)	\$4,961 *	
2	2A	32	2	32	Interest Expense To eliminate interest expense on funds borrowed to repay overpayments from Medi-Cal. 42 CFR 413.24 and 413.64 CMS Pub. 15-1, Sections 202.1 and 2304	\$16,149	(\$16,149)	\$0	
3	2A	1	2	1	Physician	\$664,663	(\$85,407)	\$579,256	
	2A	3	2	3	Nurse Practitioner	72,970	(1,481)	71,489	
	2A	42	2	42	Office Salaries To adjust salaries expense to agree with the payroll register. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2304	72,627	(2,439)	70,188	
4	2A	51	2	51	Other Administrative Costs To eliminate nonallowable administration expense for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2136.2, 2300 and 2304	\$118,484	(\$509)	\$117,975	
5	2A	14	2	14	Physician Services Under Agreement To adjust contracted physician expense to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$27,200	(\$524)	\$26,676	

\*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER					APRIL 1, 2012 THROUGH MARCH 31, 2013	1073515425		12
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Change in Scope-of-Service Report		Change in Scope-of-Service Request					
	Schedule	Line	Worksheet	Line				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>								
6	2A	30	2	30	Rent	\$104,261	(\$316)	\$103,945 *
	2A	31	2	31	Insurance	4,117	(180)	3,937 *
	2A	38	2	38	Minor Equipment	14,235	(621)	13,614 *
	2A	43	2	43	Depreciation - Office Equipment	* 4,961	(228)	4,733
	2A	44	2	44	Office Supplies	57,164	(2,492)	54,672
	2A	48	2	48	Telephone	16,211	(707)	15,504 *
					To eliminate overhead expenses associated with the WIC program due to insufficient documentation. 42 CFR 413.9(b)(1), 413.20 and 413.24 CMS Pub. 15-1, Sections 2200.1, 2300, 2304 and 2328			
7	2A	30	2	30	Rent	* \$103,945	(\$272)	\$103,673 *
					To adjust rent expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
8	2A	7	2	7	Support Staff	\$185,824	(\$2,742)	\$183,082
	2A	30	2	30	Rent	* 103,673	(8,862)	94,811
	2A	31	2	31	Insurance	* 3,937	(350)	3,587
	2A	33	2	33	Utilities	25,567	(2,173)	23,394
	2A	36	2	36	Housekeeping and Maintenance	93,735	(6,528)	87,207 *
	2A	38	2	38	Minor Equipment	* 13,614	(1,210)	12,404
	2A	48	2	48	Telephone	* 15,504	(399)	15,105
					To eliminate overhead expenses associated with the onsite contracted lab for proper cost determination. 42 CFR 413.9(b)(1), 413.20 and 413.24 CMS Pub. 15-1, Sections 2200.1, 2300, 2304 and 2328			

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments	
SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER					APRIL 1, 2012 THROUGH MARCH 31, 2013	1073515425		12	
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Change in Scope-of-Service Report		Change in Scope-of-Service Request						
	Schedule	Line	Worksheet	Line					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>									
9	2A	36	2	36	Housekeeping and Maintenance To eliminate expense for assets that should have been capitalized. 42 CFR 413.20 and 413.134 / CMS Pub. 15-1, Section 108.2	*	\$87,207	(\$16,936)	\$70,271
10	2A	34	2	34	Depreciation - Building To include depreciation expense on the assets to be capitalized in conjunction with adjustment 9. 42 CFR 413.134 / CMS Pub. 15-1, Sections 108.1 and 2300		\$0	\$847	\$847

\*Balance carried forward from prior/to subsequent adjustments

Provider Legal Name					Fiscal Period	Provider Number (NPI)		Adjustments
SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER					APRIL 1, 2012 THROUGH MARCH 31, 2013	1073515425		12
Report References					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Change in Scope-of-Service Report		Change in Scope-of-Service Request					
	Schedule	Line	Worksheet	Line				
<b><u>ADJUSTMENT TO REPORTED VISITS</u></b>								
11	1	B2	3	B2	Total FQHC Visits To adjust total FQHC visits to agree with provider's records. 42 CFR 405.2465 and 405.2470 CMS Pub. 15-1, Sections 2300 and 2304	19,366	4	19,370

Provider Legal Name				Fiscal Period		Provider Number (NPI)		Adjustments	
SOUTH BAKERSFIELD COMMUNITY HEALTH CENTER				APRIL 1, 2012 THROUGH MARCH 31, 2013		1073515425		12	
Report References				Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Change in Scope-of-Service Report		Change in Scope-of-Service Request						
	Schedule	Line	Worksheet						Line
<b><u>ADJUSTMENT TO OTHER MATTERS</u></b>									
12	1	E2	N/A	Medi-Cal Overpayments To recover Medi-Cal overpayments due to billing errors and insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51458.1		\$0	\$334	\$334	