REPORT
ON THE
COST BASED REIMBURSEMENT CLINICS

LAC – SOUTHWEST CLUSTER
LOS ANGELES, CALIFORNIA
PROVIDER NUMBERS: FHC 11866F AND 70077F
NATIONAL PROVIDER IDENTIFIERS: 1982611919 AND 1235247578

FISCAL PERIOD ENDED
JUNE 30, 2006

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

Section Chief: Cheryl Phillips
Audit Supervisor: Cheryl Phillips
Auditor: Kristine Lim

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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

November 10, 2009

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

PROVIDER: LOS ANGELES COUNTY - SOUTHWEST CLUSTER
PROVIDER NUMBER: FHC 11866F
NATIONAL PROVIDER IDENTIFIER: 1982611919
FISCAL PERIOD ENDED: JUNE 30, 2006

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 Clinic in the amount of $1,754,349, 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.

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.

Cheryl Phillips

Cheryl Phillips, Chief
Audits Section – Gardena
Financial Audits Branch

Certified

FORM 1

County of Los Angeles - Department of Health Services
Determination of COMPREHENSIVE HEALTH CENTERS AND HEALTH CENTERS CBRC Settlement
Cluster: Southwest Cluster
Fiscal Year 2005-06

1	Total Costs (Form 1a Col 4)		$	42 829 733
2	Determination of Overhead Costs Applicable to non-reimbursable CHC/HC Health Care Services			
	a CHC/HC Health Care Services Costs (Form 1a Col 4 Line 100 24 100 25 and 100 26)	11 728,453		
	b Non-Reimbursable CHC/HC Costs (Audit Report Sch 8 Col 0 Line 100 28)	568 244		
	c Cost of all CHC/HC Costs - Excluding Overhead Costs (Line 2a + Line 2b)	12 296 697		
	d Percentage of Non-Reimbursable CHC/HC Costs (Line 2b / Line 2c)	0 0462		
	e Total CHC/HC General Overhead Costs (Form 1a Col 4 Line 100 23+Col 2 Lines 1- 24)	31 101 280		
	f Overhead Applicable to Non-Reimbursable CHC/HC Costs (Line 2d X Line 2e)		$	1,437 225
3	Total Cost of Reimbursable CHC/HC Services (Line 1 - Line 2f)		$	41,392,508
4	**Total Visits**			102,974
5	Average Cost Per Visit (Line 3 divided by Line 4)			401 97
6	**Medi-Cal Visits (Billing Codes 01 and 03)(Adj 4)**			10,876
7	Total Medi-Cal Cost (Line 5 X Line 6)		$	4,371,826
8	Less Payments:			
	a Medi-Cal Payments (Billing Code 01 and 03)(Adj 5)		$	2 614 581
	b Patient Share of Cost (Adj 5)			2,896
	c Total Payments		$	2,617,477
9	Balance Due Provider (State) Before Protested Items (Line 7 - Line 8c)		$	1,754,349
10	Protested Items: (CCAP etc)(Adj 6)		$	0
11	Balance Due Provider (State) After Protested Items		$	1,754,349

FORM 1a

County of Los Angeles - Department of Health Services
COMPREHENSIVE HEALTH CENTERS AND HEALTH CENTERS Total Costs
Cluster: Southwest Cluster
Fiscal Year 2005-06

CMS Line No.	Cost Centers	1 Direct Costs (c) (Adjs. 1, 2)	2 Allocated Costs (Adj. 3)	3 Off-Site Ancillary/ Indigent Costs	4 Total Allowable CBRC CHC/HC Costs Col. 1 + Col. 2 - Col. 3
100.23	CHC/HC A & G Overhead Costs	$ 24,930,798		47,256	$ 24,883,542
100.24 & .25	CHC/HC Reimbursable Heath	11,410,235		104,473	11,305,762
100.26	Family Planning Contractors	422,691			422,691
1.00	Old Capital - Related Costs - Bldg.and Fixtures		$ 0		0
2.00	Old Capital - Related Costs - Movable Equipment		0		0
3.00	New Capital - Related Costs - Bldg. And Fixtures		0		0
4.00	New Capital Related Costs - Movable Equipment		0		0
					0
5.00	Employee Benefits		13,092		13,092
6.00	Administrative and General		9,652		9,652
7.00	Maintenance and Repairs		3,350,138		3,350,138
8.00	Operation of Plant		0		0
9.00	Laundry & Linen Service		0		0
10.00	Housekeeping		0		0
11.00	Dietary		0		0
12.00	Cafeteria		0		0
14.00	Nursing Administration		0		0
15.00	Central Services and Supplies		0		0
16.00	Pharmacy		0		0
17.00	Medical Records & Medical Records Library		0		0
18.00	Social Services		0		0
19.00	PFSW Provider/Eligibilty		0		0
19.01	PFS Provider Portion		0		0
21.00	Nursing School		0		0
22.00	I & R Services - Salaries & Fringe B. Approved		1,580,735		1,580,735
23.00	I & R Other Program Costs Approved		169,308		169,308
23.01	I & R - Teaching		293,130		293,130
23.02	I & R Services - Supervision		801,683		801683
	Total	$ 36,763,724	$ 6,217,738	151,729	$ 42,829,733

Provider Name	Fiscal Period	Provider Number	Adjustments
LAC - SOUTHWEST CLUSTER	JULY 1, 2005 THROUGH JUNE 30, 2006	FHC11866F	6

Adj. No.	Report References: Audit Report	Work Sheet	Cost Report: Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
1	1a	1			100.23	1	CHC/HC Administrative and General Overhead Costs	$25,359,500	($428,702)	$24,930,798
	1a	1			100.24	1	CHC/HC Reimbursable Costs	11,560,396	(4,611)	11,555,785 *
	1a	1			101.00	1	Total - Direct Costs	37,342,587	(433,313)	36,909,274 *
							To adjust the reported direct costs to agree with the audited cost report for fiscal period ended June 30, 2006. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
2	1a	1			100.24	1	CHC/HC Reimbursable Costs *	$11,555,785	($145,550)	$11,410,235
	1a	1			101.00	1	Total - Direct Costs *	36,909,274	(145,550)	36,763,724
							To eliminate county physician's compensation due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
3	1a	1			5.00	2	Employee Benefits	$364,092	($351,000)	$13,092
	1a	1			6.00	2	Administrative and General	230,260	(220,608)	9,652
	1a	1			7.00	2	Maintenance and Repairs	3,408,388	(58,250)	3,350,138
	1a	1			15.00	2	Central Services and Supplies	3,032	(3,032)	0
	1a	1			16.00	2	Pharmacy	104,113	(104,113)	0
	1a	1			22.00	2	I & R Services - Salaries and Fringe Benefit Approved	1,647,329	(66,594)	1,580,735
	1a	1			23.00	2	I & R Services - Other Program Cost Approved	19,805	149,503	169,308
	1a	1			23.01	2	I & R Services - Teaching	329,914	(36,784)	293,130
	1a	1			23.02	2	I & R Services - Supervisions	818,490	(16,807)	801,683
	1a	1			101.00	2	Total - Allocated Costs	6,925,423	(707,685)	6,217,738
							To adjust the reported allocated costs to agree with the audited cost report for fiscal period ended June 30, 2006. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

Provider Name	Fiscal Period	Provider Number	Adjustments
LAC - SOUTHWEST CLUSTER	JULY 1, 2005 THROUGH JUNE 30, 2006	FHC11866F	6

Adj. No.	Audit Report	Report References: Cost Report Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED MEDI-CAL SETTLEMENT DATA			
4	1	2			6.00	2	Medi-Cal Visits (Billing Codes 01 and 03)	10,943	(67)	10,876
5	1	2			8a	2	Medi-Cal Payments	$2,267,194	$347,387	$2,614,581
	1	2			8b	2	Patient Share of Cost	1,025	1,871	2,896
	1	2			8c	2	Total Payments	2,268,219	349,258	2,617,477

To adjust Medi-Cal Settlement Data to agree with the following
EDS Paid Claims Summary:
Run Date: July 1, 2009
Payment Period: July 1, 2005 through March 31, 2009
Service Period: July 1, 2005 through June 30, 2006
42 CFR 413.20, 413.24, 413.50, 413.53, 413.60,
413.64, and 433.139
CMS Pub. 15-1, Sections 2304, 2404, and 2408
CCR, Title 22, Section 51541

Provider Name	Fiscal Period	Provider Number	Adjustments
LAC - SOUTHWEST CLUSTER	JULY 1, 2005 THROUGH JUNE 30, 2006	FHC11866F	6

Adj. No.	Audit Report	Report References: Work Sheet	Cost Report: Part	Cost Report: Title	Cost Report: Line	Cost Report: Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO OTHER MATTERS			
6	1	2			10.00	2	Protested Items To eliminate protested amounts. 42 CFR 413.20, 413.24, and 413.5 CMS Pub. 15-1 Sections 2300 and 2304 CMS Pub. 15-2, Section 115.2	($51,557)	$51,557	$0