



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF PUBLIC WELFARE  
**BUREAU OF FINANCIAL OPERATIONS**  
Room 525 Health and Welfare Building  
Harrisburg, Pennsylvania 17105-2675

KEVIN M. FRIEL  
DIRECTOR

JUL - 7 2009

TELEPHONE NUMBER  
(717) 772-2231  
FAX NUMBER  
(717) 705-9094

MAILING DATE

Ms. Mary Lucille Czyzyk  
Executive Director  
Scranton Primary Health Care Center  
959 Wyoming Avenue  
Scranton, Pennsylvania 18501

Dear Ms. Czyzyk:

Enclosed is the final report of your program completed by this office. Your original response has been incorporated into the final report and labeled Exhibit C. Additional documents received on May 26, 2009 are labeled Exhibit D.

The final report will be forwarded to the Department of Public Welfare's (DPW) Office of Medical Assistance Programs (OMAP) to begin the DPW's resolution process concerning the report contents. The staff of the OMAP may be in contact with you to follow-up on the corrective action actually taken to comply with the report's recommendations.

I would like to express my appreciation for the courtesy and cooperation extended to my staff during the course of the fieldwork.

Please contact Alex Matolyak of the Audit Resolution Section at (717) 783-7786 if you have any questions concerning this matter.

Sincerely,

A handwritten signature in black ink that reads "Kevin M. Friel".

Kevin Friel

Enclosure

c: Mr. Michael Nardone

Some information has been redacted from this audit report. The redaction is indicated by magic marker highlight. If you want to request an unredacted copy of this audit report, you should submit a written Right to Know Law (RTKL) request to DPW's RTKL Office. The request should identify the audit report and ask for an unredacted copy. The RTKL Office will consider your request and respond in accordance with the RTKL (65 P.S. §§ 67.101 et seq.). The DPW RTKL Office can be contacted by email at: [ra-dpwtkl@pa.gov](mailto:ra-dpwtkl@pa.gov).



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Mr. Michael Nardone  
Deputy Secretary for Medical Assistance Programs  
Health and Welfare Building, Room 515  
Harrisburg, Pennsylvania 17120

Dear Mr. Nardone:

In response to a request from the Office of Medical Assistance Programs (OMAP), the Bureau of Financial Operations (BFO) has completed a performance audit of Scranton Primary Health Care Center (SPHCC), a Federally Qualified Health Center (FQHC), and its compliance with FQHC cost reporting requirements. The audit was primarily directed to assess the reimbursable rates for medical and dental encounters reported on SPHCC's Cost Report for the fiscal year ended June 30, 2003 by determining rates which include only allowable program costs.

The report questions the eligibility of \$166,650 in costs as identified in Exhibit A. The report also identifies \$73,746 of non-reported costs determined eligible for reimbursement. The \$92,904 net reduction of allowable costs results in medical and dental per diems of \$86.50 and \$60.99, respectively, for the fiscal year ended June 30, 2003 (Exhibits A & B). The report also identifies opportunities for improvement of financial controls.

**Scranton Primary Health Care Center**  
**Executive Summary**

SPHCC is a not-for-profit corporation with business offices and a single site FQHC at 959 Wyoming Avenue, Scranton, PA 18509. FQHCs are "safety net" providers whose main purpose is to enhance primary care services in underserved urban and rural communities. The SPHCC began providing medical services in December 1978 and dental services in February 2002. FQHCs are considered suppliers of Medicare services and are paid an all-inclusive per visit rate (Encounter Rate) for medical visits based on reasonable cost incurred and reported on an annual Cost Report. Although dental visits are paid at a fee-for-service rate for each procedure performed, OMAP plans to utilize the dental Encounter Rate to perform annual cost settlements resulting in the payment of an all-inclusive rate for dental encounters as well. The Encounter Rates are computed by dividing the FQHC's total allowable cost by the number of visits for all

**Scranton Primary Health Care Center**  
**July 1, 2002 through June 30, 2003**

FQHC patients. Once established, OMAP has historically provided annual increases to the medical Encounter Rates based upon the Medicare Economic Index applicable to primary care physicians' services.

The operation of FQHCs is governed by guidelines, procedures and standards included in the PA PROMISe Provider Handbook, Appendix E. These requirements are based upon the provisions of the Medicare Provider Reimbursement Manual (HIM-15) and any situations not covered by the Provider Handbook are also governed by HIM-15.

The report findings and recommendations for corrective action are summarized below:

<b><i>Finding No. 1 – Inadequate Financial Controls and Questioned Costs Resulted in a \$92,904 Overstatement of Allowable Costs</i></b>	<ul style="list-style-type: none"><li>• Questioned costs resulting from noncompliance with regulations and the lack of controls over invoice filing and maintenance procedures totaled \$166,650.</li><li>• Allowable expenses reported on the FQHC Cost Report were understated by \$73,746.</li><li>• Both issues resulted in a final net adjustment to reimbursable costs totaling \$(92,904).</li><li>• Grant funds in the amount of \$250,000 that passed through the Center to another organization were also not reported on the Cost Report.</li><li>• Actual medical and dental encounters reported on the Cost Report were understated by 112 and 37 encounters, respectively.</li><li>• The reporting capabilities of the Center's accounting software were underutilized.</li><li>• A significant amount of accounting data furnished during the audit omitted payment dates and/or vendor names.</li></ul>
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OMAP should:

- Determine the eligibility of the \$166,650 of questioned costs included in Finding No.'s 2 and 3 and the Subsequent Finding and reduce allowable costs by \$166,650 if appropriate.
- Accept the \$73,746 of adjustments increasing allowable costs detailed in Exhibit A of this report.
- Adjust medical and dental encounters used to calculate the rates in accordance with Exhibit B of this report.

SPHCC should:

- Continue to research accounting software suitable for the FQHC environment with purchase and implementation of software that includes adequate financial controls.
- Reconcile all costs to the General Ledger and A-133 Audit prior to the preparation of the annual Cost Report.
- Reconcile all encounters to the books and records prior to the preparation of the annual Cost Report.

***Finding No. 2 –  
Inadequate Support for  
Purchases and Non-  
Compensable Costs***

- 55 out of 151 payments sampled were not adequately supported by itemized receipts totaling \$24,566.
- 41 of the remaining 96 payments included non-compensable costs totaling \$7,727.

OMAP should:

- Review the allowability of \$32,293 of questioned costs detailed in Exhibit A of this report and reduce allowable costs by \$32,293 if appropriate.

SPHCC should:

- Maintain adequate support for all costs reported on the Cost Report.
- Implement an adequate invoice filing system that enables receipts to be obtained in a timely manner.
- Be cognizant of regulations during approval of expenditures and report any non-compensable costs as adjustments and/or non-FQHC costs on the Cost Report.

Scranton Primary Health Care Center  
July 1, 2002 through June 30, 2003

<p><b>Finding No. 3 - Physicians' Salaries Are Excessive</b></p>	<ul style="list-style-type: none"><li>• The \$248,353 Medical Director's salary and the \$173,208 second full-time physician's salary charged to the FYE 2003 Cost Report were determined to be excessive based upon criteria stated in HIM-15 regulations.</li><li>• This results in questioned costs totaling \$94,447.</li></ul>
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<p>OMAP should:</p> <ul style="list-style-type: none"><li>• Review the allowability of \$94,447 of questioned costs detailed in Exhibit A of this report and reduce allowable costs by \$94,447 if appropriate.</li></ul> <p>SPHCC should:</p> <ul style="list-style-type: none"><li>• Limit salary reporting for physicians to the comparable salaries paid by other FQHCs or the maximum established by this audit.</li></ul>
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<p><b>Finding No. 4 - Lack of Support for Hospital Encounters</b></p>	<ul style="list-style-type: none"><li>• Medical records supporting encounters that occurred during four (4) of sixteen (16) sampled hospital stays were not on file at SPHCC.</li></ul>
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<p>SPHCC should:</p> <ul style="list-style-type: none"><li>• Implement procedures to consistently obtain records pertaining to all encounters that occur at hospitals</li></ul>
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<p><b>Observation No. 1 – The Cost Report Included \$59,506 of Allowable Depreciation Expense for Assets Funded With Grant Dollars</b></p>	<ul style="list-style-type: none"><li>• Depreciation expense of \$59,506 related to the Center's receipt of \$770,002 from the US Department of Health and Human Services and a portion of a \$1,099,469 grant from the US Department of Housing &amp; Urban Development was reported as an allowable cost.</li></ul>
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**Scranton Primary Health Care Center**  
**July 1, 2002 through June 30, 2003**

***Compensation and Payroll Taxes are Overstated by \$39,910***

- Accrual adjustments to physicians' compensation were not made causing a \$20,523 overstatement.
- \$2,553 was paid to an employee to compensate for wage increases earned in prior fiscal years.
- Related taxes paid by SPHCC were overstated by \$1,317.
- Compensation totaling \$15,517 was paid to a physician to correct an under funding of a tax sheltered annuity in prior fiscal years.

**OMAP should:**

- Review the allowability of \$39,910 of questioned costs included in Exhibit A and reduce allowable costs by \$39,910 if appropriate.

**SPHCC should:**

- Expense compensation and payroll taxes in the period incurred.

**Background**

SPHCC is a not-for-profit health care center located in the city of Scranton. SPHCC provides comprehensive health care services to residents throughout northeastern Pennsylvania. FQHCs are considered suppliers of Medicare services and are paid an all-inclusive per visit rate (Encounter Rate) for medical visits based on reasonable cost incurred and reported on an annual Cost Report. Although dental visits are paid at a fee-for-service rate for each procedure performed, OMAP plans to utilize the dental Encounter Rate to perform annual cost settlements resulting in the payment of an all-inclusive rate for dental encounters as well. The Encounter Rates are computed by dividing the FQHC's total allowable cost by the number of visits for all FQHC patients. Once established, OMAP has historically provided annual increases to the medical Encounter Rates based upon the Medicare Economic Index applicable to primary care physicians' services. Productivity standards implemented by the Centers for Medicare and Medicaid Services establish requirements for the minimum number of encounters to be produced by each type of full-time practitioner to help prevent rates from becoming unreasonably high.

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The operation of FQHCs is governed by guidelines, procedures and standards included in the PA PROMISE Provider Handbook, Appendix E. These requirements are based upon the provisions of the Medicare Provider Reimbursement Manual (HIM-15) and any situations not covered by the Provider Handbook are also governed by HIM-15.

**Objective, Scope and Methodology**

The audit objective, developed in concurrence with OMAP, was:

- To determine if the medical and dental rates reported on the FQHC Cost Report for FYE 2003 are accurate based on eligible encounters and allowable costs.

In pursuing this objective, the BFO interviewed management and staff members from SPHCC. We also reviewed accounting records, financial records, records of encounters and other pertinent data necessary to complete our objective.

Government auditing standards require that we obtain an understanding of management controls that are relevant to the audit objective described above. The applicable controls were examined to the extent necessary to provide reasonable assurance of the effectiveness of those controls. Based on our understanding of the controls, no material deficiencies came to our attention. Areas where we noted opportunities for improvement in management controls are addressed in the findings of this report.

Fieldwork for this audit took place intermittently between July 17, 2008 and October 28, 2008 and was performed in accordance with generally accepted government auditing standards. BFO's review of attachment 5 of SPHCC's written response triggered additional fieldwork to take place on June 10, 2009. The report, when presented in its final form, is available for public inspection.

**Results of Fieldwork**

**Finding No. 1 – Inadequate Financial Controls and Questioned Costs Resulted in a \$92,904 Overstatement of Allowable Costs**

**Questioned Costs**

Questioned costs described in Finding No.'s 2 and 3 and the Subsequent Finding resulted from noncompliance with regulations and the lack of controls over invoice filing and maintenance procedures. The questioned costs of \$166,650 when added to the \$73,746 understatement of eligible costs described below results in a final adjustment to reimbursable costs totaling \$(92,904) as detailed in Exhibit A.

**Cost Report Data Not Reconciled to Books and Records**

Expenses reported on the Cost Report were \$323,746 lower than reported on the A-133 Audit Report. The \$323,746 variance was comprised of a net \$73,746 understatement of costs (Exhibit A) and \$250,000 represented a pass through of grant funds to another

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organization. The pass-through funds were required to be reported for informational purposes only and SPHCC management stated that these costs were mistakenly excluded from the Cost Report. We determined that the \$73,746 of net underreported costs were allowable and were eligible for reimbursement. The failure to report the \$73,746 had understated the medical rate by \$3.89. The Provider Handbook, page 25, states, "Worksheet 1 provides for recording the trial balance of expense accounts from the FQHC's accounting books and records." Furthermore, proper accounting procedures include adjusting the trial balance to the A-133 Audit Report.

Medical and dental encounters reported on the Cost Report were understated by 112 and 37 encounters, respectively, when compared to encounter documentation maintained by SPHCC. The accurate reporting of encounters is governed by the Provider Handbook, page 15, which states, "The FQHC must maintain ... financial and clinical records ... which are accurate and in sufficient detail to substantiate the cost data reported."

### Accounting Software

SPHCC manually creates financial reports instead of using accounting software to produce automated reports. In some instances, requested expense account details were not provided for over one month due to the fact they were manually produced. Furthermore, 195 of 410 transactions included on these account details were missing payment dates and 19 of the 410 transactions had both missing payment dates and vendor names.

The Provider Handbook, page 15, states, "Expenses reported as reasonable costs must be adequately documented in the financial records of the FQHC or they will be disallowed." Also, best business practices dictate that financial reporting controls be in place in order for management to prevent or detect the occurrence of potential risks to waste, loss, or unauthorized use of funds.

When accounting software reporting capabilities are not utilized the risk of fraud and abuse increases. Additionally, the absence of accurate, automated reports adversely effects management's financial decision making capabilities as the reports cannot be relied upon. This lack of financial control may have also contributed to the Cost Report data not being reconciled to the books and records.

### Recommendations

The BFO recommends that OMAP determine the eligibility of \$166,650 of questioned costs included in Finding No.'s 2 and 3 and the Subsequent Finding and reduce costs as appropriate.

The BFO recommends that OMAP accept the \$73,746 of adjustments increasing allowable costs as detailed in Exhibit A of this report.

**Scranton Primary Health Care Center**  
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The BFO also recommends that SPHCC continue to research and procure accounting software suitable for the FQHC environment. SPHCC should also reconcile all costs and encounters to their books and records prior to preparation of the Cost Report.

**Finding No. 2 – Inadequate Support for Purchases and Non-Compensable Costs**

Based on a sample of 151 payments, 55 payments totaling \$24,566 were not adequately supported by itemized receipts and 41 of the remaining 96 payments totaling \$7,727 included non-compensable costs. This resulted in questioned costs totaling \$32,293 (Exhibit A).

Inadequately Supported Purchases

The sample included \$41,935 in purchases that were not adequately supported. Of this total we were able to determine that \$17,369 should be accepted. Many of the costs determined as allowable represented recurring monthly payments for yellow page advertising, cleaning service and utility services. In other cases SPHCC management was able to provide explanations for the undocumented amounts that allowed us to validate the costs.

The Provider Handbook, page 15, states, "The financial and clinical charts, including receipts documenting all transactions of the FQHC, must be available for review by personnel legally authorized to audit confidential records, such as staff of the Department of Public Welfare." Page 16 states, "The Medical Assistance Program will determine if costs are reasonable and allowable by applying Medicare cost reimbursement principles, as defined by federal regulations at 42 CFR, Section 13, the Medicare Provider Reimbursement Manual (HCFA 15-1), and any other regulations mandated by the federal government."

Non-Compensable Costs

Our sample included \$7,727 in non-compensable costs. The Provider Handbook, page 17, states, "Costs related to patient care include all necessary and proper costs which are appropriate in developing and maintaining the operation of patient care facilities and activities. Necessary and proper costs related to patient care are usually costs which are common and accepted occurrences in the field of the FQHC's activity. Allowability of costs is subject to the regulations prescribing the treatment of specific items under the Medicare program."

Further, The Provider Handbook, pages 18 through 21, states, "Costs will be disallowed if not documented, necessary, ordinary and related to the provision of health care and related services to authorized patients." Below is a summary of the \$7,727 non-compensable costs reported by SPHCC.

- A. "Entertainment, i.e., costs for office parties/social functions, costs for event tickets, costs for flowers, cards for illness and/or death, retirement gifts, patient or employee awards, gifts and/or parties/social functions, and related meals and lodging, as well as travel or other activities for employee or patient recreation....

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These costs also cannot be included as part of employee benefits (Sections 2100 and 2102.3, HCFA 15-1)." We identified that the SPHCC reported \$2,503 related to these unallowable costs.

- G. "Fines, penalties and judgments, including costs associated with paying traffic tickets and the like." We identified that the SPHCC reported \$398 related to these unallowable costs.
- I. "Advertising, except for the recruitment of personnel, procurement of goods and services, and disposal of medical equipment and supplies. Costs associated with promotional marketing/advertising items are non-compensable, but minimal "yellow page" type advertising is reimbursable (Section 2136.1 and 2, HCFA 15-1)." We identified that the SPHCC reported \$2,420 related to these unallowable costs.
- O. "Political or charitable contributions, including courtesy allowances, and lobbyist reimbursement (Sections 328 and 2139, HCFA 15-1)." We identified that the SPHCC reported \$1,500 related to these unallowable costs.
- U. "Vending machine, food and beverage service and/or pay telephone expenses including restocking and repair costs. Such are, by their nature, self-supporting, and may even provide profit for the clinic (Section 2105.2, HCFA 15-1)." We identified that the SPHCC reported \$906 related to these unallowable costs.

SPHCC also received \$8,468 for conducting smoking surveys, a non-FQHC service. The actual costs to conduct these surveys were not identified in the accounting records and the costs were reported as allowable costs in the Cost Report. SPHCC needs to separately record the costs of non-FQHC services in the accounting records with the costs of non-FQHC services recorded as such in the Cost Report.

**Recommendations**

The BFO recommends that OMAP reviews the allowability of the \$32,293 of questioned costs as detailed in Exhibit A of this report and reduces allowable costs by \$32,293 if appropriate.

The BFO also recommends that SPHCC maintains receipts supporting all costs reported on the Cost Report and implement an adequate filing system that enables receipts to be obtained in a timely manner and retained for audit inspection. The BFO finally recommends that SPHCC require employees to submit adequate documentation of expenses prior to providing reimbursement. SPHCC should report non-compensable costs as adjustments and/or non-FQHC costs on the Cost Report.

**Scranton Primary Health Care Center  
July 1, 2002 through June 30, 2003**

**Finding No. 3 – Physicians' Salaries Are Excessive**

The SPHCC paid \$248,353 to their Medical Director and \$173,208 to a second full-time physician for FYE 2003, which was charged on the Cost Report. BFO determined that the maximum allowable salary for the physicians should be \$164,232 during FYE 2003 resulting in compensation and payroll tax questionable costs totaling \$94,447 (Exhibit A).

BFO determined the maximum allowable salary based upon the following criteria:

The Provider Handbook, page 16, states, "Costs may vary from one institution to the other because of scope of services, level of care, geographic location, and utilization. It is the intent of the Medical Assistance Program that FQHCs will be reimbursed the actual costs of providing health care, except where a particular institution's costs are found to be substantially out of line with other institutions in the same geographic area which are similar in size, scope of services, utilization, and other relevant factors. 'Utilization' for this purpose refers not to the FQHC's occupancy rate but rather to the manner in which the institution is used as determined by the characteristics of the patients treated (i.e., patient mix, age of patient, type of illness, location, language barriers, etc.)."

HIM-15, Part 1, Section 902.3 states, "Reasonableness requires that the compensation allowance be such an amount as would ordinarily be paid for comparable services by comparable institutions depending upon the facts and circumstances of each case." Section 904 states, "In general, the determination as to the reasonableness of a person's compensation is made by comparing it to other individuals in similar circumstances."

Therefore, BFO conducted the following research and comparisons:

The highest salary paid to Supervisory Physicians by the Commonwealth is \$126,952. Two of the SPHCC's physicians exceeded this amount by \$144,849 and \$50,123, respectively.

The average salary of the highest paid employee (usually the medical director) at thirteen other FQHCs across the Commonwealth was \$138,966. The SPHCC's two physician's salaries exceed this average salary by \$109,387 and \$34,242, respectively. These FQHCs had multiple sites ranging from 1 to 10 and gross revenues from \$1,033,154 to \$26,104,191.

In consideration of the high volume of encounters these two SPHCC physicians provided, we eliminated six of the FQHCs whose revenues were comparable or less than the Center in order to increase the maximum comparable physician salary. The seven remaining FQHCs included Keystone Health Center and Philadelphia Department of Health whose highest paid medical director/physician averaged \$247,000. The Philadelphia Department of Health included ten sites with approximately \$40 million in expenses. Limiting salaries to the seven highest paid physicians increased the average salary to \$164,232, which was used to establish

**Scranton Primary Health Care Center**  
**July 1, 2002 through June 30, 2003**

the maximum allowable salary. The SPHCC Executive Director responded the salaries paid to these two physicians were justified due to the high volume of encounters they provided and the length of time they have been employed by SPHCC.

**Recommendations**

The BFO recommends that OMAP reviews the allowability of \$94,447 questioned costs detailed in Exhibit A of this report and reduces allowable costs by \$94,447 or the amount determined as appropriate.

The BFO also recommends that SPHCC limit salary reporting for physicians to the comparable salaries paid by other FQHCs or the maximum established by this audit.

**Finding No. 4 – Lack of Support for Hospital Encounters**

Medical records supporting encounters that occurred during four of sixteen sampled hospital stays were not on file at SPHCC. The records supporting these encounters were subsequently obtained from hospitals during audit fieldwork. SPHCC did not have policies and procedures in place that required obtaining records from hospitals to support encounters.

The Provider Handbook, page 4, states, "The FQHC must maintain legible, accurate and complete charts and records in order to support and justify the services provided (Chapter 1101.51). Chart means a compendium of medical records on an individual patient. Record means those dated reports corresponding to office, home, nursing facility, hospital, outpatient, inpatient, and any other place of service supporting claims submitted to the Pennsylvania Medical Assistance Program." Best business and medical practices also dictate that all patient charts and records be on file at the primary service location to increase availability to the physician, therefore increasing the quality of services to patients.

**Recommendations**

The BFO recommends that SPHCC implement procedures to consistently obtain records pertaining to all encounters that occur at hospitals.

**Overall Effect of Findings on Encounter Rates**

Adjustments to reimbursable costs totaled \$(92,904) as detailed in Exhibit A. Applying the cost adjustments making up this total along with the adjustments to encounters resulted in reimbursable medical and dental rates of \$86.50 and \$60.99, respectively (Exhibit B). OMAP's acceptance of the proposed audit adjustments will result in a \$3.58 reduction to the reported medical encounter rate and a \$1.79 reduction to the reported dental encounter rate.

**Scranton Primary Health Care Center**  
**July 1, 2002 through June 30, 2003**

**Observation No. 1 – Depreciation Allowance for Assets Funded Through Grants or Donations**

SPHCC used \$770,002 from the US Department of Health and Human Services and a portion of a \$1,099,469 grant from the US Department of Housing & Urban Development to purchase and renovate property and equipment during FYE 2002 & 2003. Depreciation expense of \$59,506 related to these assets was included on SPHCC's FYE 2003 Cost Report as a reimbursable cost. This expense results in OMAP participating in the cost of assets fully funded with grant dollars. The \$59,506 was determined to be an allowable cost based upon the provisions included in Part 1, Section 600 of HIM-15 which states that "unrestricted contributions are not deducted from costs in computing allowable costs."

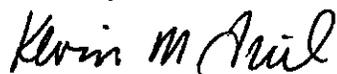
An audit exit conference was held on May 12, 2009 with the Executive Director, Chief Financial Officer and the President of the Board of Directors. At the conference, the findings and recommendations in the draft report and SPHCC's written response were discussed. Minor changes were made to the draft report as a result of this meeting.

The BFO provided a copy of the draft audit to SPHCC in April 2009. SPHCC provided a written response in May 2009 and is labeled Exhibit C. Additional documentation was received after the exit conference and is labeled Exhibit D.

In accordance with the BFO established procedures, please provide a response within 60 days to the Audit Resolution Section concerning actions to be taken to ensure the report recommendations are implemented.

Please contact Alexander Matolyak, Audit Resolution Section at (717) 783-7786 if you have any questions concerning this audit or if we can be of any further assistance in this matter.

Sincerely,



Kevin M. Friel

Attachments

c: Mr. Samuel Caramela  
Mr. William Miller  
Ms. Brenda Tewel

**Scranton Primary Health Care Center  
Subsequent Events**

**Subsequent Finding - Physicians' Compensation and Payroll Taxes are Overstated by \$39,910**

As part of their initial response to Finding Number 3, SPHCC provided the BFO with payroll records. During review of these payroll records and more detailed records at the SPHCC, the BFO identified that compensation earned by SPHCC physicians from June 17, 2002 to June 30, 2002 is incorrectly expensed in FY 2002-03. The BFO also identified physician compensation earned on June 30, 2003 is not recorded during the audit period. Failure to make these accrual adjustments caused compensation and taxes to be overstated by \$21,645.

The review of payroll records and subsequent fieldwork identified the following two additional overstatements of FY 2002-03 costs:

- A \$15,517 payment made to a physician to correct an under funding of a tax sheltered annuity applicable to calendar years 1997 through 2001 was reported as a FY 2002-03 expense.
- A \$2,748 payment made to an employee to reimburse the individual for wages earned from October 11, 2000 to June 30, 2002 was reported as a FY 2002-03 expense.

In total, the \$39,910 compensation and related employer paid taxes are recorded in the Cost Report, General Ledger, A-133 Audit and IRS Form 990 for FYE 2003. The Provider Handbook, page 15, states, "FQHC Cost Reports must be prepared in conformance with:

1. The accrual basis of accounting.
2. The provisions of these guidelines (HIM-15).
3. Any situations not covered would be based on GAAP."

Also, the Provider Handbook, page 25, instructs FQHCs to "Enter on the appropriate lines in columns 1 through 4 the total expenses incurred during the reporting period."

Accrual basis accounting requires the SPHCC to expense this compensation when incurred. Furthermore, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (FAS) No. 16, paragraph 11, which states, "An item of profit and loss related to the correction of an error in the financial statements of a prior period shall be accounted for and reported as a prior period adjustment and excluded from the determination of net income for the current period." FASB is the highest authority in establishing generally accepted accounting principles (GAAP) for non-profit entities.

The application of the criteria in the Provider Handbook related to preparation of the FQHC Cost Report and interpretation of FAS No. 16 would require the \$39,910 be reported as a prior period adjustment excluded from inclusion as a FY 2002-03 cost report expense.

**Scranton Primary Health Care Center  
Subsequent Events**

In lieu of a second formal exit conference limited to the subsequent finding, the changes were discussed with and issued to SPHCC on June 24, 2009. SPHCC elected not to respond to these changes.

**Recommendations**

The BFO recommends OMAP should review the allowability of \$39,910 of questioned costs included in Exhibit A and reduce allowable costs by \$39,910 if appropriate.

The BFO also recommends SPHCC expense compensation and payroll taxes in the period incurred.

**Scranton Primary Health Care Center  
Auditor's Commentary**

The BFO's review of the SPHCC's responses identified four comments that warrant clarification in this auditor's commentary.

**May 7, 2009 Response Page 3 – Inadequate Support for Purchases**

The response claims 12 of the 55 inadequately supported purchases cited by BFO were supported by itemized receipts.

**BFO Comment**

The BFO reexamined the audit work papers and confirmed 55 purchases were not adequately supported. The SPHCC number was obtained from a BFO workpaper provided at the closing conference. Attachment 3 of SPHCC's response is the BFO document which was completed before acceptance of additional SPHCC documentation provided subsequent to the closing conference.

**May 7, 2009 Response Pages 6 and 7 – Physician's Salaries are Excessive**

The response challenges the accuracy of the SPHCC compensation used by BFO to calculate excess salaries for two physicians.

**BFO Comment**

On June 1, 2009, SPHCC provided payroll analysis which agreed to the compensation amount identified in the draft audit for the two physicians. The BFO did agree to reduce the Medical Director's compensation by \$15,517 representing under funding of a tax sheltered annuity in prior fiscal years. The \$15,517 is identified as a questioned cost in the Subsequent Finding.

**May 7, 2009 Response Page 9 – Lack of Support for Hospital Encounters**

The SPHCC asserts it maintains a copy of patient discharge summaries in patient medical records, and that the discharge summaries were not accepted as adequate support for the four hospital encounters identified in the BFO report.

**BFO Comment**

The BFO did accept discharge summaries as adequate support for hospital encounters. The four inadequately supported hospital encounters did not include patient discharge summaries.

**May 7, 2009 Response, Attachment 6, "Dr. [REDACTED] Wages Paid" and May 26, 2009 Response – "Analysis Compensation Dr. [REDACTED]"**

The SPHCC provided compensation reconciliation documents which included \$7,624 and \$57,402 amounts representing incentive payments to physicians for high productivity during FYE 2002. At the exit conference, the SPHCC requested the incentive payments be reduced from the compensation used in Finding No. 3.

**Scranton Primary Health Care Center  
Auditor's Commentary**

**BFO Comment**

The BFO was not aware until the audit exit conference that SPHCC's physician compensation plan included incentives which are not paid until the following year. For example, FY 2002 incentives are paid in 2003. We performed a limited review of incentive data available for the physician who was paid \$57,402 in 2003 for 2002 earned incentives. For 2003, the physician earned \$48,300 for a high productivity encounter incentive. The \$48,300 plus additional incentives could reach or exceed the \$57,402 earned in the prior year.

Incentives should be expensed in the year incurred. A reduction in the 2003 compensation for 2002 incentives requested by SPHCC would require inclusion of 2003 incentives paid in 2004. Based on the fairly equal incentives earned for 2002 and 2003, and the projected immaterial impact an adjustment would have on the rates, we did not perform additional fieldwork on 2002 and 2003 incentives.

**Exhibit A**

**SCRANTON PRIMARY HEALTH CARE CENTER  
BFO ADJUSTMENTS  
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Per Cost Report</u>	<u>BFO Adjustments</u>	<u>Final Allowable</u>
Total Direct Medical FQHC Costs	\$ 1,328,606	\$ (28,853)	\$ 1,299,753
Total Direct Dental FQHC Costs	\$ 233,475	\$ (6,795)	\$ 226,680
Total Direct FQHC Costs	\$ 1,562,081	\$ (35,648)	\$ 1,526,433
Overhead Costs	\$ 787,327	\$ (57,256)	\$ 730,071
Total FQHC Costs	<u>\$ 2,349,408</u>	<u>\$ (92,904)</u>	<u>\$ 2,256,504</u>

**BFO Adjustments**

	<u>Questioned Costs</u>	<u>Understated Costs</u>	<u>Reclass Adjustments</u>	<u>Net Adjustments</u>
<b>Direct Medical FQHC Costs</b>				
Line 1 - Physicians	\$ (131,609)	\$ -	\$ 6,577	\$ (125,032)
Line 13 - Medical Records	\$ -	\$ 106,362	\$ -	\$ 106,362
Line 15 - Prof Org Dues	\$ (1,000)	\$ -	\$ -	\$ (1,000)
Line 17 - Medical Supplies	\$ (420)	\$ -	\$ -	\$ (420)
Line 19 - Travel & Training	<u>\$ (8,763)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,763)</u>
Decrease in Direct Medical FQHC Costs	<u>\$ (141,792)</u>	<u>\$ 106,362</u>	<u>\$ 6,577</u>	<u>\$ (28,853)</u>
<b>Direct Dental FQHC Costs</b>				
Line 36 - Dental Supplies	<u>\$ (6,795)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,795)</u>
Decrease in Direct Dental FQHC Costs	<u>\$ (6,795)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,795)</u>
<b>Overhead FQHC Costs</b>				
Line 50 - Administration	\$ (2,748)	\$ (21,259)	\$ (6,577)	\$ (30,584)
Line 54 - Data Processing	\$ (4,565)	\$ -	\$ -	\$ (4,565)
Line 55 - Housekeeping	\$ (825)	\$ -	\$ -	\$ (825)
Line 56 - Maintenance Bldgs	\$ -	\$ 1,166	\$ -	\$ 1,166
Line 58 - Supplies	\$ (1,488)	\$ -	\$ -	\$ (1,488)

**SCRANTON PRIMARY HEALTH CARE CENTER  
BFO ADJUSTMENTS  
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Questioned Costs</u>	<u>Understated Costs</u>	<u>Reclass Adjustments</u>	<u>Net Adjustments</u>
Line 59 - Dues to Industry Orgs	\$ (1,500)	\$ -	\$ -	\$ (1,500)
Line 61 - Telephone	\$ (1,195)	\$ 2,352	\$ -	\$ 1,157
Line 62 - Utilities	\$ (323)	\$ 126	\$ -	\$ (197)
Line 69 - Other Costs	\$ -	\$ 1,799	\$ -	\$ 1,799
Line 72 - Meetings	\$ (686)	\$ (16,642)	\$ -	\$ (17,328)
Line 73 - Training (Admin)	\$ -	\$ (150)	\$ -	\$ (150)
Line 74 - Publications (Admin)	\$ -	\$ (8)	\$ -	\$ (8)
Line 75 - Bank Service Charges	\$ (2,289)	\$ -	\$ -	\$ (2,289)
Line 77 - Marketing	<u>\$ (2,444)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,444)</u>
Decrease in Overhead Costs	<u>\$ (18,063)</u>	<u>\$ (32,616)</u>	<u>\$ (6,577)</u>	<u>\$ (57,256)</u>
<b>TOTAL DECREASE IN FQHC COSTS</b>	<u><u>\$ (166,650)</u></u>	<u><u>\$ 73,746</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (92,904)</u></u>
Questioned Costs from Finding No. 3	\$ (94,447)			
Questioned Costs from Subsequent Finding	<u>\$ (39,910)</u>			
Questioned Costs from Line 1 and Line 50 of this Exhibit	\$ (134,357)			
Questioned Costs from Finding No. 2	<u>\$ (32,293)</u>			
Total Questioned Costs by Finding	<u><u>\$ (166,650)</u></u>			

**Exhibit B**

**SCRANTON PRIMARY HEALTH CARE CENTER  
SCHEDULE OF REIMBURSABLE RATES  
FOR THE YEAR ENDED JUNE 30, 2003**

	Per Cost Report	Distribution Per Cost Report	Final Allowable	Final Distribution
Direct Medical FQHC Health Care Costs	\$ 1,328,606	85%	\$ 1,299,753	85.15%
Direct Dental FQHC Health Care Costs	\$ 233,475	15%	\$ 226,680	14.85%
<b>Total Direct FQHC Health Care Costs</b>	<b>\$ 1,562,081</b>	<b>100%</b>	<b>\$ 1,526,433</b>	<b>100.00%</b>
Overhead Costs Applicable to FQHC Medical Services	\$ 669,228	85%	\$ 621,653	85.15%
Overhead Costs Applicable to FQHC Dental Services	\$ 118,099	15%	\$ 108,418	14.85%
<b>Total Overhead Applicable to FQHC Services</b>	<b>\$ 787,327</b>	<b>100%</b>	<b>\$ 730,071</b>	<b>100.00%</b>
<b>Total Costs Applicable to Medical FQHC Services</b>	<b>\$ 1,997,834</b>		<b>\$ 1,921,406</b>	
Divided by Total Medical Encounters Used for Rate	22,179		22,214	
<b>Reimbursable Medical Rate</b>	<b>\$ 90.08</b>		<b>\$ 86.50</b>	
<b>Total Costs Applicable to Dental FQHC Services</b>	<b>\$ 351,574</b>		<b>\$ 335,098</b>	
Divided by Total Dental Encounters Used for Rate	5,600		5,494	
<b>Reimbursable Dental Rate</b>	<b>\$ 62.78</b>		<b>\$ 60.99</b>	

**Scranton Primary Health Care Center's  
May 7, 2009 Response to the Draft Report  
Exhibit C**



SCRANTON PRIMARY  
HEALTH CARE CENTER, INC.

P.O. Box 31  
Scranton, Pennsylvania 18501  
Phone 570-344-9684

May 7, 2009

Mr. John Hoover, Audit Manager  
Division of Audit and Review  
Bureau of Financial Operations  
Department of Public Welfare  
Rm. 325 Scranton State Office Building  
100 Lackawanna Avenue  
Scranton, Pennsylvania 18503

Dear Mr. Hoover:

Scranton Primary Health Care Center, Inc. (the Center) is in receipt of an April 2, 2009 letter from Mr. Kevin Friel, Director of the Bureau of Financial Operations for the Commonwealth of Pennsylvania, Department of Welfare. Included with the April 2, 2009 letter was a "draft audit report containing the findings, recommendations and observations discussed with you and your staff at a closing conference on October 28, 2009.

As instructed in the April 2, 2009 letter, Robert Barber, CFO of Scranton Primary Health Care Center did contact you prior to April 12, 2009 to arrange an exit conference concerning the "draft" audit report. This conference has been tentatively scheduled for either May 20, 2009 or May 21, 2009. Either Mr. Barber or I will be in contact with you to establish the time and date of this conference upon your return to your office.

Enclosed with this letter, you will find a copy of Scranton Primary Health Care Center's written response to the "draft" audit report. If you would be so kind as to inform either me or Mr. Barber, of the date of the exit conference, so that the President of the Center's governing Board may participate.

Sincerely,

Mary Lucille Czyzyk, RN  
Executive Director

Enclosure

C: Edward R. Dulworth  
Robert D. Barber  
Medical Assistance Audit File

Scranton Primary Health Care Center, Inc.  
959 Wyoming Avenue, PO Box 31  
Scranton, Pennsylvania 18501-0031

**Response to Medical Assistance Audit Recommendations**

The governing Board and management of Scranton Primary Health Care Center, Inc (the Center) are pleased to note the statement in paragraph 3, page 6 of the "draft" report

"The applicable controls were examined to the extent necessary to provide reasonable assurance of the effectiveness of those controls. Based on our understanding of the controls, no material deficiencies came to our attention. Areas where we noted opportunities for improvement in management controls are addressed in the findings of this report."

The Center, in its review of the "draft" report, has some confusion concerning the methodology that incorporates into Finding No.1 questioned costs that are describe again in Finding No 2 and 3. The Center would request that at Exit Conference, there would be discussion sufficient to clarify that, recommendations to Office Medical Assistance Programs (OMAP) in Findings No. 1, 2 and 3 could not be construed in such manner as to suggest that these questionable costs could be disallowed more than once.

The following contains the Center's response to each of the findings and recommendations contained in the "draft" report for OMAP and Scranton Primary Health Center, Inc. The Center has included in this document, responses to certain of the recommendations to OMAP that we feel need further clarification. These issues are designated by red check mark.

**Finding No. 1 – Inadequate Financial Controls and Questioned Costs Resulted in an \$80,705 Overstatement of Allowable Costs**

**SUMMARY**

- Questioned costs resulting from noncompliance with regulations and the lack of controls over invoice filing and maintenance procedures totaled \$154,451.
- Allowable expenses reported on the FQHC Cost Report were understated by \$73,746
- Both issues resulted in a final net adjustment to reimbursable costs totaling \$(80,705).
- Grant funds in the amount of \$250,000 that passed through the Center to another organization were also not reported.
- Actual medical and dental encounters reported on the Cost Report were understated by 112 and 37 encounters, respectively.
- The reporting capabilities of the Center's accounting software were underutilized.
- A significant amount of accounting data furnished during the audit omitted payment dates and/or vendor names.

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959 Wyoming Avenue, PO Box 31  
Scranton, Pennsylvania 18501-0031

Response to Medical Assistance Audit Recommendations

HIGHLIGHTS OF RECOMMENDATIONS

*Recommendations to OMAP Finding No. 1*

- Questioned costs resulting from the noncompliance with regulations and the lack of controls over invoice filing and maintenance procedures totaled \$154,451.
  - ✓ The Center has concerns that the questioned costs of Finding No.1 are noted again in Findings No. 2 and 3 could be disallowed more than once.
- Accept the \$73,746 of adjustments increasing allowable costs detailed in Exhibit A of this report.
- Adjust medical and dental encounters used to calculate the rates in accordance with Exhibit B of this report.

*Scranton Primary Health Center's Response to Recommendations Finding No.1*

- Continue to research accounting software suitable for the FQHC environment with purchase and implementation of software that includes adequate financial controls.

The Center has purchased new accounting software from [REDACTED] (See Attachment 1) This software is applicable to the FQHC environment and will support adequate control over the Center's financial records. The Center administration has instructed our Chief Financial Officer to begin using our new accounting software with the start of our Fiscal Year 2009-2010.

- Reconcile all costs to the General Ledger and A-133 Audit prior to the preparation of the annual Cost Report.

It is anticipated that this new accounting software will facilitate the reconciliation of all costs to the General Ledger and A-133 Audit prior to the preparation of the annual Cost Report.

- Reconcile all encounters to the books and records prior to the preparation of the annual Cost report.

It is anticipated that this new accounting software will facilitate the reconciliation of all encounters to the books and records of the Center prior to the preparation of the annual Cost Report.

The Center has some concern that bullet point #4 of the Summary of Finding No. 1 may be misinterpreted.

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**Response to Medical Assistance Audit Recommendations**

- Grant funds in the amount of \$250,000 that passed through the Center to another organization were also not reported.

While it is true that these funds were not reported on the 2002-2003 Medical Assistance Cost report because they had no financial bearing on the cost of medical care delivered at the Center; it should be noted that these funds were reported in the Center's Audited Financial Reports at June 30, 2003 in the manner suggested by our auditor. (See Attachment 2)

**Finding No. 2 – Inadequate Support for Purchases and Non Compensable Costs**

**SUMMARY**

- 55 out of 151 payments sampled were not adequately supported by itemized receipts totaling \$24,566.

It is the policy of the Center to maintain financial records and clinical charts for a period of seven years. However, the Medical Assistance Provider Handbook, page 17 states:

“The FQHC must maintain, for a period of not less than four years from the end of the fiscal year of the FQHC Cost Report, financial and clinical records, for the period covered by such cost report, which are accurate and in sufficient detail to substantiate the cost data reported. If there are unresolved issues at the end of this four year period, the records must be maintained until these issues are resolved.”

This audit of the Center by Bureau of Financial Operations (BFO) took place between August, 2008 and October, 2008 a period of at six years after the fiscal year of the Federally Qualified Health Center (FQHC) cost report in question. The Center was not informed of any unresolved issues with this FQHC cost report following its submission. The Center believes that its record keeping met the standard for record maintenance as stated on page 17 of the Provider Handbook.

The Center disagrees that with the statement that 55 out of 151 payments were not adequately supported by itemized receipts. It is the Center's opinion that 12 of these payments were supported and disallowed as demonstrated in Attachment D as presented to the Center at the closing conference on October 28, 2009. (See Attachment 3) Of these, 9 payments were for staff lunches for Center meetings for Quality Assurance and HIPAA issues. The Center holds staff Quality Assurance meetings during lunch hour so as not to require downsizing of office hours for our providers. It is the Center's opinion that if an employee must work through lunch that a light lunch should be provided to

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**Response to Medical Assistance Audit Recommendations**

that employee. This approach is expensive for the Center in that it creates an overtime situation for non-exempt employees; however, this approach is beneficial for our patients because it does not reduce their access to our providers.

The BFO field auditors maintained at our closing conference that meals would not be a compensable cost because they are not related to patient care. The Center refutes the premise that quality assurance activities do not flow to the quality of patient care provided to all our clients to include those insured by Medical Assistance. At the closing conference the Center did offer to provide minutes for the meetings in question but the auditors directed us to address this issue in our formal response to OMAP. In Attachment 4, we have provided the first page of minutes for these 9 meetings in question.

The BFO also disallowed the Continuing Medical Education (CME) costs for three physicians. These CME costs are contract costs for Center physicians. The Center provides a CME allowance and the physician chooses the CME that he/she would like to attend. The field auditor did allow the cost of the CME conference but disallowed travel expenses, lodging and meals as not related to patient care. The field auditor suggested that providers should do CME via internet application. Our Medical Director said that while providers do obtain some of their CME required for licensure via the internet; it is more productive to attend conferences for at least a part of the 50 credits that physician are required to obtain each year by the State of Pennsylvania. He went on to say that this approach allows providers to network with their peers and have access to leaders in their fields who present at these conferences. It is our Medical Director's contention that these monies have a direct bearing on medical care; allowing providers to stay abreast of current changes in the practice of medicine. The Medical Director also stated that it would be difficult to recruit physicians to community health work, if there were not an all inclusive CME provision in our contract offer.

- 41 of the remaining 96 payments included non-compensable costs totaling \$7,727

**HIGHLIGHTS OF RECOMMENDATIONS**

***Recommendations to OMAP Finding No. 2***

- Review the allowability of \$32,293 of questioned costs detailed in Exhibit A of this report and reduce allowable costs by \$32,293 if appropriate.

The Center asks that OMAP consider reducing the disallowed costs for the reasons listed under bullet point #1 of Finding No. 2.

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Response to Medical Assistance Audit Recommendations

*Scranton Primary Health Center's Response to Recommendations Finding No.2*

- Maintain adequate support for all costs reported on the Cost Report.

It is the policy of the Center to maintain financial records and clinical charts for a period of seven years. The Medical Assistance Provider Handbook, page 17 states:

"The FQHC must maintain, for a period of not less than four years from the end of the fiscal year of the FQHC Cost Report, financial and clinical records, for the period covered by such cost report, which are accurate and in sufficient detail to substantiate the cost data reported. If there are unresolved issues at the end of this four year period, the records must be maintained until these issues are resolved. Expenses reported as reasonable costs must be adequately documented in the financial records of the FQHC or they will be disallowed."

This audit of the Center by BFO took place between August, 2008 and October, 2008 a period of at six years after the fiscal year of the FQHC cost report in question. The Center was not informed of any unresolved issues with this FQHC cost report following its submission. The Center believes that its record keeping met the standard for record maintenance as stated on page 17 of the Provider Handbook.

- Implement an adequate invoice filing system that enables receipts to be obtained in a timely manner.

The Center believes that its maintenance of archived records is adequate. In 2005, Center renovation required that the archived financial and clinical records be relocated. The Center took all the necessary precautions to insure the safety of our financial records and clinical records during relocation in accord with our Center retention policy; unfortunately, during relocation many of the financial record boxes were not placed in chronological order in their new location. It is also possible because of this, that some of these records may have been misplaced or lost during relocation; a possible violation of Center policy but not the Medical Assistance standard for retention as stated on page 17 of the Medical Assistance Provider Handbook. Because the Center is largely a paper environment it required additional time to locate the records requested by the field auditor during the audit.

- Be cognizant of regulations during approval of expenditures and report any non-compensable costs as adjustments and/or non-FQHC costs on the Cost Report.

The Center has reviewed the regulations for compensable and non-compensable costs. It is the expectation of the Center that our new financial software will allow us to segregate compensable and non-compensable costs, so that in the future non-

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**Response to Medical Assistance Audit Recommendations**

compensable cost will be reported as adjustments and/or non-FQHC costs on the FQHC cost report. The Center accepts that \$7,727 in non-compensable costs was reported on the 2002-2003 FQHC cost report.

**Finding No. 3 – Physicians' Salaries are Excessive**

**SUMMARY**

- The \$271,801 Medical Director's salary and the \$177,075 second full-time physician's salary charged to the FYE 2003 Cost Report were determined to be excessive based upon criteria stated in HIM-15 regulations.
- This results in questioned costs totaling \$122,158
  - ✓ The Center has concerns that the questioned costs of Finding No. 1 are noted again in Finding No. 3 and could be disallowed more than once.

**HIGHLIGHTS OF RECOMMENDATIONS**

***Recommendations to OMAP Finding No. 3***

- Review the allowability of the \$122,158 of questioned costs detailed in Exhibit A of this report and reduce allowable costs by \$122,158.
  - ✓ Scranton Primary Health Care Center, Inc. disagrees with this recommendation to OMAP for the following of reasons. The salaries for the Medical Director and the second full-time physician stated in bullet point #1 of the Summary of Finding No.3 are incorrect. The Medical Director's salary for FY 2002-2003 was \$237,402 instead of \$271,801 listed in bullet point # 1 of finding No.3. The second full-time physician's salary for FY 2002-2003 was \$170,069 instead of the \$177,075 listed in bullet point # 1 of finding No. 3. Center payroll records support the above statement (See Attachment 5)

Beyond contracts, the Center does not have a full understanding of what documentation was used by BFO to arrive at the salaries for the Medical Director and the second full-time physician. The Center suggests that the error in calculation of these physician salaries may have occurred for the following reasons.

1. BFO included in the amount of the Medical Director's salary a one time payment of \$17,231.49 in early FY 2002-2003 to the Medical Director to correct an under funding of the Medical Director's Tax Sheltered Annuity for years 1997 through 2001. (Please see Attachment 6)

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2. BFO included in the second full-time physician's salary, a medical director's salary of \$12,480 to which second full-time physician was not entitled or paid. (Please see Attachment 7)

***Scranton Primary Health Center's Response to Recommendations Finding No.3***

- Limit salary reporting for physicians to the comparable salaries paid by other FQHCs or the maximum established by this audit.

In addition to the Center's concern about the overstatement of the Medical Director's and second full-time physician's salaries, the Center has concerns about the methodology used to determine reasonableness of the salaries for these two positions. The BFO surveyed thirteen other FQHCs in Pennsylvania to arrive at an average salary of \$138,966. Not all sites surveyed provided salaries for their medical directors and the highest salary surveyed was for the Medical Director of the Philadelphia Department of Health. The survey did not contain data from available salary surveys such as the National Association of Community Health Centers (NACHC) or the Medical Group Management Association (MGMA) for the time period in question. BFO also did not include the salaries of other internists in our locality during the time period.

In the "draft" report BFO acknowledged the high volume of encounters, that were provided by these physicians in FY 2002-2003 (See paragraph 7 page 10 of the "draft" report. The number of these encounters, i.e. 6,339 encounters for the Medical Director and 6,007 encounter for the second full-time internist are documented in the BFO Attachment H (See Attachment 8) presented to the Center at the closing conference on October 28, 2008. In Attachment 8, the BFO also acknowledges that the FQHC standard for a full time physician is 4,200 encounters. These two Center physicians were responsible for 55% of the encounters for the entire Center and 34% of the all the Medical Assistance patients who were seen at the Center in FY 2002-2003. These two Center physicians were willing to see patients at this pace because of incentive payments in their contracts for any encounters in excess of the FQHC standard. The increased productivity rate of these two Center physicians benefited additional Medical Assistance clients of our locality by providing access to medical care that was often not available to these underserved individuals with other local providers.

The Center agrees with the Provider Handbook, page 16 which states "Costs may vary from one institution to the other because of scope of services, level of care, geographic location and utilization" and that "It is the intent of the Medical Assistance Program that FQHCs will be reimbursed the actual costs of providing health care, except where a particular institution's costs are found to be substantially out of line with other institutions in the same geographic area which are similar in

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size, scope of services, utilization and other relevant factors. 'Utilization for this purpose refers not to the FQHC's occupancy rate but rather to the manner in which the institution is used as determined by the characteristics of the patients treated. (i.e., patient mix, age of patient, type of illness, location, language barriers, etc)'" The Center suggests that the methodology used to determine reasonableness of these physician salaries is flawed because it does not credit utilization and other relevant factors correctly.

While BFO did survey salaries of other FQHCs as demonstrated in Attachment E (See Attachment 9) presented to the Center at the closing conference on October 28, 2008; this survey does not show if these providers were internists, or family practitioners, followed patients in the hospital, stood call, the length of time the providers were in their positions, the number of patients they saw or if they saw patients at all. Also, none of the FQHCs are located in the Center's catchment area. In 2002-2003, the Center's Medical Director, who is fluent in Spanish, was an Internist with a twenty-four year history of employment with the Center. The second full-time physician, who speaks Hindi and Urdu, was also a Board certified Internist; who additionally is sub-Boarded in the treatment of hypertension. The Center employs Internists to see our adult clients because of the level of criticality that our patient mix represents. It would not be overstatement to say that the majority of the patients seen by these two Internists in 2002-2003 were high-risk patients because of advanced age, life style, multiple disease processes and language barriers. Both of these Internists had a high volume hospital practice and followed Center patients during their hospitalizations. These Internists stood call every other night and every other weekend during FY 2002-20003 resulting in work weeks in excess of the FQHC standard of 32 hours for full-time equivalents (FTE). The Center suggests that not all the physicians whose salaries are included in the survey had such demanding work schedules. These two Internists often were required to manage extremely complex patients, such as diabetics, asthmatics and cardiovascular patients because specialists were unavailable to our Medical Assistant clients.

The Center would also like to state that long before it was required by Medical Assistance, these Internists were using the Chronic Care Model to improve the quality of the medical care provided to all of Scranton Primary Health Care Center's patients to include those who were insured by Medical Assistance. The Center would also like to state that the longevity of our provider staff provides the continuity of patient care that is only now becoming known as a "Medical Home."

The Center believes that because of the current physician workforce shortage in the community health center setting, it would be impossible to recruit and retain internists in Scranton if we had to limit our provider salaries to the \$164,232 salary that BFO created through this FQHC survey process. Recruiters state that recent internal medicine graduates will not accept a position for a beginning salary of less

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**Response to Medical Assistance Audit Recommendations**

than \$170,000. Scranton Primary asks that the Office of Medical Assistance programs reverse this finding; allowing the \$122,158 in questioned costs.

**Finding No. 4 – Lack or Support for Hospital Encounters**

**SUMMARY**

- Medical records supporting encounters that occurred during four (4) of sixteen (16) sampled hospital stays were not on file at SPHCC

**HIGHLIGHTS OF RECOMMENDATIONS**

***Recommendations to OMAP Finding No. 4***

- Medical records supporting encounters that occurred during four (4) of sixteen (16) sampled hospital stays were not on file at SPHCC.

***Scranton Primary Health Center Recommendations Finding No.4***

- Implement procedures to consistently obtain records pertaining to all encounters.

The Center's current policy for documentation of hospital visits is to have the provider present an index card to our billing department which is imprinted with the patient's addressograph stamp from the hospital where the patient was admitted. The provider is required to list dates for admission and discharge; dates of interim visits to the patient; CPT, and IDC-9 codes that pertain to the hospitalization on the index card and sign the index card on submission to our billing department. This index card is maintained with the patient's billing records. Our billing office creates an encounter form from the hospital card information. If further clarification is necessary, our billing department can and does request copies of the patient's inpatient progress note from the hospital. The Center also maintains a copy of the discharge summary for the hospitalization in the patient's medical record at the Center; this discharge summary among other data includes the admission and discharge dates for the patient's hospitalization. (See Attachment 10)

The BFO field auditor felt that the Center's hospital documentation policy was insufficient to prove that the provider visited the patient on a particular day during the hospitalization and suggested that the Center improve the policy and procedure for hospital documentation. To this end, our Center has explored with other FQHCs and practices what their hospital documentation policies are. In general, the hospital documentation policies of other FQHCs and practices are similar to our Center's aforementioned hospital documentation policy and procedure. A suggestion that the Center require the provider to document his/her hospital visit in the patient's office

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**Response to Medical Assistance Audit Recommendations**

medical chart on his/her return to the office is duplicative and no more trustworthy than a hospital card. Due to the Center's large daily hospital census, our Medical Director felt that this increase in paperwork would reduce the number of Medical Assistance patients the Center would be able to serve, as providers would require more time allotment for paperwork. Our Medical Director also feels that the presence of inpatient progress notes in the outpatient medical chart adds nothing to the level of quality of care that is provided to the Center's Medical Assistance clients.

The Center's only solution to the recommendation for Finding No. 4 is to request copies of our patients' inpatient hospital progress notes for our patients' outpatient medical record. Scranton Primary Health Care Center, Inc will institute this policy on June 1, 2009. It is clear that because of the level of criticality and subsequent length of stay of our Medical Assistance patients at hospital admission, this change to procedure will be an onerous change for our local hospitals and our Center until the Center acquires an Electronic Health Record and our local community establishes Health Information Exchange. It is the Center's hope that OMAP will recognize the increased burden that this precedent setting requirement for increased documentation places on hospitals and outpatient practices that serve Medical Assistance clients.

As stated in the "draft report" on Page 11 paragraph 2 of Finding No. 4 "Best business and medical practices also dictate that all patient charts and records be on file at the primary service location to increase availability to the physician, therefore increasing the quality of services to patients." In the case of hospital admission, the primary service location is the hospital where these progress notes are maintained to be available to the physician if needed.

**Observation No. 1 – The Cost Report Included \$59,506 of Allowable Depreciation for Assets Funded with Grant Dollars**

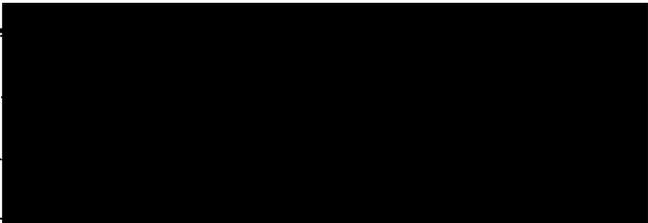
- Depreciation expense of \$59,506 related to the Center's receipt of \$770,002 from the US Department of Health and Human Services and a portion of a \$1,099,469 grant from the US Department of Housing and Urban Development was reported as an allowable cost.

**PURCHASE ORDER**

005732



TO



SHIP TO

Scranton Primary Health Care  
959 Wyoming Ave  
Scranton, PA 18509

DATE ORDERED

5-1-09

DATE WANTED

ASAP

SHIP VIA

ASAP

TERMS

See Attachment

F.O.B.

PLEASE ENTER OUR ORDER FOR THE FOLLOWING - TO BE SHIPPED AS DIRECTED.

SEE ATTACHED

H.D. Buley 5-1-09

BY

Mary Luella Goyz RN  
8888

PURCHASING AGENT



AGREEMENT TO PURCHASE

May 1, 2009

Scranton Primary Health Care Center  
 959 Wyoming Ave Unit 2  
 Scranton, PA 18509-3023  
 Mr. Bob Barber  
 (570) 504-1342

Scranton Primary Health Care Center hereby agrees to purchase from  the following:

**SOFTWARE:**

	<u>Unit Cost</u>	<u>Ext. Cost</u>
1 General Ledger 7 1-user Core Bundle	\$2,995.00	\$2,995.00
1 General Ledger: Budget Management Core Bundle 1-3	\$0.00	\$0.00
1 General Ledger: Projects/Grants/Endowment Core Bundle 1-3	\$0.00	\$0.00
1 Accounts Payable 7 Core Bundle 1-3	\$0.00	\$0.00
1 Cash Receipts 7 Core Bundle 1-3	\$0.00	\$0.00
1 Financial Edge: Cash Management Core Bundle 1-3	\$0.00	\$0.00
1 Crystal Reports License for the Financial Edge - No Charge	\$0.00	<u>\$0.00</u>
Software - Subtotal		\$2,995.00

**SERVICES:**

1 Core Bundle Fixed Price Scope	\$8,000.00	<u>\$8,000.00</u>
Services - Subtotal		\$8,000.00

**TRAINING:**

1 The Financial Edge Annual Training Pass Single User	\$2,250.00	<u>\$2,250.00</u>
Training - Subtotal		\$2,250.00

**MAINTENANCE:**

Annual Software Maintenance - Adv Professional		<u>\$718.80</u>
Maintenance - Subtotal		\$718.80

**SUBTOTAL:** \$13,963.80

**LESS DISCOUNTS:** -\$450.00

**TOTAL COST:** \$13,513.80

**Software**

Invoices are issued immediately upon shipment of software, which typically occurs within 7 business days. All invoices for shipped software will reflect a minimum shipping and handling charge of \$15.00. Payment is due upon receipt of invoice.

All  Software is licensed to you under the license agreement accompanying the Software shipment. You should review the license upon delivery and if you do not agree with the terms, return the software immediately.

*mcc*

SCRANTON PRIMARY HEALTH CARE CENTER, INC.STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT:</b>				
Net patient services revenues	\$ 1,862,660			\$ 1,862,660
Grant from Department of Health and Human Services	658,316			658,316
Grant from Department of Housing and Urban Development	32,901			32,901
Other revenues	54,962			54,962
Investment Return	19,246			19,246
Contributions	3,025			3,025
<b>Total Revenues and Other Support</b>	<u>2,631,110</u>	<u>-</u>	<u>-</u>	<u>2,631,110</u>
<b>EXPENSES:</b>				
Personnel	1,940,707			1,940,707
Consultants and contract services	34,382			34,382
Other	62,096			62,096
Consumable supplies	87,626			87,626
Space costs and rentals	97,742			97,742
Depreciation	91,343			91,343
Patient care	76,859			76,859
Communication costs	32,269			32,269
Travel	6,951			6,951
Grant to subcontractors	250,000			250,000
<b>Total Expenses</b>	<u>2,679,975</u>	<u>-</u>	<u>-</u>	<u>2,679,975</u>
<b>CHANGE IN NET ASSETS</b>	(48,865)	-	-	(48,865)
<b>NET ASSETS, BEGINNING</b>	<u>1,653,506</u>	<u>30,903</u>	<u>5,942</u>	<u>1,690,351</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 1,604,641</u>	<u>\$ 30,903</u>	<u>\$ 5,942</u>	<u>\$ 1,641,486</u>

See accompanying notes and independent auditors' report.

**SCRANTON PRIMARY HEALTH CARE CENTER INC.  
ACCOUNT ANALYSIS GRANT CASH ACCOUNT  
JUNE 30, 2003**

MONTH	DEPOSITS	GRANT	TRANSFER AMOUNT	TRANSFER TO	BEGINNING BALANCE	
						245.85
02-Jul						
02-Aug	\$ 100,000.00	SEC 330	\$ 100,000.00	CAP	(6.00)	S/C
02-Sep	\$ 150,000.00	SEC 330	\$ 150,000.00	CAP	(6.00)	S/C
02-Oct	\$		\$		(6.00)	S/C
02-Nov	\$		\$		(6.00)	S/C
02-Dec	\$ 45,000.00	SEC 330	\$ 45,000.00	OPERATING		
02-Dec	\$ 10,251.00	HUD	\$ 10,251.00	OPERATING		
02-Dec	\$ 26,633.75	SEC330	\$ 26,625.00	OPERATING		
02-Dec	\$ 36,972.00	SEC 330	\$		(6.00)	S/C
03-Jan	\$		\$ 36,972.00	OPERATING		
03-Jan	\$ 36,972.00	SEC 330	\$ 37,000.00	OPERATING		
03-Jan	\$ 35,000.00		\$ 35,000.00	OPERATING		
03-Jan	\$ 25,000.00	SEC 330	\$ 25,000.00	OPERATING		
03-Feb	\$ 25,000.00	SEC 330	\$ 25,000.00	OPERATING		
03-Feb	\$ 20,000.00	SEC 330	\$ 20,000.00	OPERATING	(6.00)	S/C
03-Mar	\$ 25,000.00	SEC 330	\$ 25,000.00	OPERATING		
03-Mar	\$ 33,237.81	SEC 330	\$ 33,200.00	OPERATING	(6.00)	S/C
Mar-03	\$ 22,650.00	HUD	\$ 22,650.00	OPERATING		
03-Apr	\$ 30,000.00	SEC 330	\$ 30,000.00	OPERATING		
03-Apr	\$ 24,500.00	SEC 330	\$ 24,500.00	OPERATING	(6.00)	S/C
03-May	\$ 20,000.00	SEC 330	\$ 20,000.00	OPERATING	(6.00)	S/C
03-Jun	\$ 25,000.00	SEC 330	\$ 25,000.00	OPERATING	(6.00)	S/C
	<u>\$691,216.56</u>		<u>\$691,198.00</u>		<u>\$ (66.00)</u>	<u>\$ (47.44)</u>
						<u>198.41</u>
						BALANCE JUNE 30, 2003

**SUMMARY**

REG 330	\$408,315.56	} 658,315.56
CAP	\$250,000.00	
HUD	\$ 32,901.00	

\$691,216.56

Count	Gr. Account #	Gr. Account Name	Cost Report Line Item Name	Vendor	Amount	Invoice Date	Payment Date	Adequately Supported (x)	Cancelled Check (x)	Check #	Item(s) Purchased	Late Fee Amt	Amr Other Cost	Comments
1	7855-000	Advertising/Yellow Pages	Marketing		365.25	08/19/02		x			Yellow Page Advertising 8/15-8/15/02	4.71		
2	7855-000	Advertising/Yellow Pages	Marketing		365.96	10/19/02		x			Yellow Page Advertising 9/15-10/15/02	4.71		
3	7855-000	Advertising/Yellow Pages	Marketing		321.72	01/19/03		x			Yellow Page Advertising 12/15/02-1/15/03	4.14		
4	7855-000	Advertising/Yellow Pages	Marketing		325.86	02/19/03		x			Yellow Page Advertising 1/15-2/15/03	4.18		
5	7855-000	Advertising/Yellow Pages	Marketing		325.91	03/19/03		x			Yellow Page Advertising 2/15-3/15/03			
6	7855-000	Advertising/Yellow Pages	Marketing		321.72	05/19/03		x			Yellow Page Advertising 4/15-5/15/03			
7	7855-000	Advertising/Yellow Pages	Marketing		525.36		08/14/02		x	233	Yellow Page Advertising 6/15-8/15/02			part of 12th month amount is less than 2 months charges OK
8	7855-000	Advertising/Yellow Pages	Marketing		332.43		12/13/02		x	4318	Yellow Page Advertising 10/15-11/15/02			to allow 321.72
9	7855-000	Advertising/Yellow Pages	Marketing		321.72		01/08/03		x	4321	Yellow Page Advertising 11/15-12/15/02			
10	7855-000	Advertising/Yellow Pages	Marketing		321.72		05/29/03		x	4323	Yellow Page Advertising 3/15-4/15/03			
11	7855-000	Advertising/Yellow Pages	Marketing		321.72		06/17/03		x	4356	Yellow Page Advertising 5/15-6/15/03			
12	7230-000	Cellular Telephone	Telephone		240.00		02/19/03		x		cell phone service 2/14/03-4/14/03	15.73		
13	7230-000	Cellular Telephone	Telephone		1,073.23	04/14/03	05/01/03		x		cell phone service 4/14/03-5/14/03	15.10		
14	7230-000	Cellular Telephone	Telephone		1,053.66	05/14/03	06/23/03		x		cell phone service 4/14/03-5/14/03			
15	6150-410	Dental Supplies	Dental Supplies		2,345.58	11/17/02	11/27/02		x		various dental supplies 9/12-10/2/02			
16	6150-410	Dental Supplies	Dental Supplies		4,164.68		03/17/03		x	1124	various dental supplies 9/12-10/2/02			
17	6150-410	Dental Supplies	Dental Supplies		1,753.28		11/21/02		x		various dental supplies 9/12-10/2/02			
18	6150-410	Dental Supplies	Dental Supplies		2,333.40		02/17/03		x	1104	various dental supplies 9/12-10/2/02			
19	6150-410	Dental Supplies	Dental Supplies		296.80		03/17/03		x	1123	various dental supplies 9/12-10/2/02			
20	7540-000	Dues to Industry Orgs	Dues to Industry Orgs		2,000.00	04/04/03	05/01/03		x		members dues 6/1/02-5/31/03			
21	7540-000	Dues to Industry Orgs	Dues to Industry Orgs		225.00	01/27/03	01/27/03		x		2003 winter meeting			
22	7540-000	Dues to Industry Orgs	Dues to Industry Orgs		250.00	01/07/03	02/24/03		x		02-03 Assessment for Lobbyist Activities (Mary Lou)			
23	7540-000	Dues to Industry Orgs	Dues to Industry Orgs		1,250.00	04/09/03	05/01/03		x		02-03 Assessment for Lobbyist Activities (Mary Lou)			
24	7321-000	Electric	Utilities		2,374.66	10/16/02			x		Electric Service 8/15-10/15/02	62.75		
25	7321-000	Electric	Utilities		945.33	11/14/02			x		Electric Service 10/16-11/14/02			
26	7321-000	Electric	Utilities		1,036.14	12/16/02			x		Electric Service 11/15-12/16/02	26.72		
27	7321-000	Electric	Utilities		1,035.16	01/16/03			x		Electric Service 12/17/02-1/16/03	25.56		
28	7321-000	Electric	Utilities		1,091.66	02/14/03			x		Electric Service 1/17-2/14/03	27.22		
29	7321-000	Electric	Utilities		1,041.96	03/17/03			x		Electric Service 2/15-3/17/03	26.27		
30	7321-000	Electric	Utilities		2,062.02	04/16/03			x		Electric Service 3/18-4/16/03			Outstanding charge \$1,041.06
31	7321-000	Electric	Utilities		22.36	05/16/03			x		Electric Service 4/17-5/16/03			Previous month's overpayment was credited to PPL
32	7321-000	Electric	Utilities		1,067.81	06/16/03	08/14/02		x		Electric Service 5/17-6/16/03			
33	7321-000	Electric	Utilities		1,343.51		08/14/02		x	2338	Electric Service 6/17-8/16/03			
34	7321-000	Electric	Utilities		1,340.70		08/12/02		x	2401	Electric Service 7/17-8/16/02			
35	7321-000	Electric	Utilities		965.51	10/15/02			x		Electric Service 10/1-10/29/02	1.53		
36	7321-000	Electric	Utilities		791.46	12/6/02			x		Electric Service 10/30-12/02/02	9.75		credit applied for carry forward bill
37	7321-000	Electric	Utilities		1,887.32	01/06/03			x		Electric Service 12/30/02-1/6/03			bill due to winter months OK
38	7321-000	Electric	Utilities		1,732.30	02/03/03			x		Electric Service 1/3-1/20/03	34.55		bill due to winter months OK
39	7321-000	Electric	Utilities		1,981.56	03/05/03			x		Electric Service 2/1-3/06/03	33.61		bill due to winter months OK
40	7321-000	Electric	Utilities		1,701.59	04/03/03			x		Electric Service 3/4/03-4/1/03	14.08		bill due to winter months OK
41	7321-000	Electric	Utilities		215.88	06/04/03			x		Electric Service 4/2-5/1/03			
42	7321-000	Electric	Utilities		95.61	07/03/03			x		Electric Service 6/3/03-7/1/03	4.32		paid \$1.69 more than invoiced (will be credited next invoice) OK
43	7322-000	Gas	Utilities		44.51	08/14/02			x	2332	gas service 7/1-7/13/02			
44	7322-000	Gas	Utilities		41.22	09/17/02			x	2382	gas service 8/1-8/13/02			
45	7322-000	Gas	Utilities		77.98	10/22/02			x	2459	gas service 9/1-9/30/02			
46	7322-000	Gas	Utilities		3,575.00	09/30/02			x		gas service 8/1-9/30/02			
47	7322-000	Gas	Utilities		3,572.00	10/30/02			x		gas service 9/1-10/30/02			
48	7322-000	Gas	Utilities		3,572.00	10/30/02			x		gas service 10/1-10/30/02			
49	7322-000	Gas	Utilities		3,575.50	11/29/02			x		gas service 10/31-11/29/02			

ATTACHMENT D

Sanjour Primary Health Care Center  
Sample Invoices and Non-Refundable Costs

N7025.M35  
RN 10/14/08

GL Account #	GL Account Name	Line Item Name	Vendor	Amount	Invoice Date	Payment Date	Adequately Supported (S)	Canceled Check (X)	Check #	Item(s) Purchased	Late Fee Amt	Amt/Other Unallow. Costs	Comments
50	7340-000	Housekeeping Service		3,724.00	1/29/02		X			12/11/20102 cleaning service & floor care \$3375. \$150			
51	7340-000	Housekeeping Service		3,574.00	02/03/03		X			12/11/20103 cleaning service & floor care			
52	7340-000	Housekeeping Service		3,574.00	02/28/03		X			2/11/20103 cleaning service & floor care			
53	7340-000	Housekeeping Service		3,574.00	03/13/03		X			3/11/20103 cleaning service & floor care			
54	7340-000	Housekeeping Service		3,574.00	05/03/03		X			4/11/20103 cleaning service & floor care			
55	7340-000	Housekeeping Service		3,574.00	06/20/03		X			5/11/20103 cleaning service & floor care			
56	7340-000	Housekeeping Service		4,400.00		08/14/02		X	23351	7/11/102 cleaning service & floor care			
57	7340-000	Housekeeping Service		3,750.00		09/12/02		X	2336	8/11/2002 cleaning service & floor care			
58	7340-000	Housekeeping Service		3,750.00		11/29/02		X		6/11/2003 cleaning service & floor care			
59	6140-000	Injectables & Vaccines		3,250.00	09/16/02		X			Fuzone SV 10 Dose (Ov. 50 PAC)			
60	6140-000	Injectables & Vaccines		213.95	10/21/03		X			Fuzone (Ov. 1 PAC)			
61	6140-000	Injectables & Vaccines		100.00	03/19/03		X			Tetanus/Diphtheria (Ov. 1 PAC)			
62	6140-000	Injectables & Vaccines		320.56	05/19/03		X			Pol. 10 Dose (Ov. 1 PAC)			
63	6140-000	Injectables & Vaccines		553.08	05/16/03		X			ACTHMS SV: DOSE (Ov. 1 PAC)			
64	6140-000	Injectables & Vaccines		427.90	06/30/03		X			Membrane ACWV135 10 Dose (Ov. 1 PAC)			
65	6140-000	Injectables & Vaccines		316.32		09/12/02		X	23372	Injecta 10X1 12 packs			
66	7120-00	Legal Services		210.35	11/07/02	11/20/02	X			consultations regarding the Center's legal obligations		314.32	
67	7120-00	Legal Services		674.50	03/10/03	03/17/03	X			consultations regarding the Center's legal obligations			
68	6100-000-000	Medical Supplies		2,299.55	05/30/02		X		4908	Amalgam DCA 2003 supplies		103.75	
69	6100-000-000	Medical Supplies		103.75		08/25/02	X		4908	Amalgam DCA 2003 supplies		25.50	
70	6100-000-000	Medical Supplies		23.30		11/21/02	X		4877	Amalgam DCA 2003 supplies			
71	5370-000	Meeting Exp & Supplies		15.21	04/01/03	04/01/03	X			Food for lunch meeting regarding grant application		14.21	
72	5370-000	Meeting Exp & Supplies		13.40	04/09/03	04/09/03	X			Food for lunch meeting regarding grant application		13.40	
73	5370-000	Meeting Exp & Supplies		36.00		08/13/02	X		2312	Food for lunch meeting regarding grant application		36.00	CL for 36.00 "non-refundable"
74	5370-000	Meeting Exp & Supplies		13.99		02/13/03	X		4591	Food for lunch meeting regarding grant application		13.99	
75	5370-000	Meeting Exp & Supplies		675.00	06/17/02	08/01/02	X			50% of deposition fees per contract			
76	5370-000	Meeting Exp & Supplies		38.50	01/23/03	01/23/03	X			Lunch for HIPAA meeting @ Center		38.50	
77	5370-000	Meeting Exp & Supplies		28.75	01/23/03	01/23/03	X			Lunch for HIPAA meeting @ Center		28.75	
78	5370-000	Meeting Exp & Supplies		29.25	01/23/03	01/23/03	X			Lunch for HIPAA meeting @ Center		29.25	
79	5370-000	Meeting Exp & Supplies		32.25	01/23/03	01/23/03	X			Lunch for HIPAA meeting @ Center		32.25	
80	5370-000	Meeting Exp & Supplies		36.15		10/31/02	X		2433	Lunch for HIPAA meeting @ Center		36.15	
81	5370-000	Meeting Exp & Supplies		23.50		04/24/03	X			Food for lunch meeting regarding grant application		23.50	
82	5370-000	Meeting Exp & Supplies		24.54	03/06/03	03/17/03	X			Food for meeting @ Center		24.54	
83	5370-000	Meeting Exp & Supplies		52.00	12/07/03	02/07/03	X			Food for meeting @ Center		52.00	
84	5370-000	Meeting Exp & Supplies		33.65	03/27/03	05/21/03	X			Food for HIPAA meeting @ Center		33.65	
85	5370-000	Meeting Exp & Supplies		33.00	04/03/03	04/04/03	X			Food for HIPAA meeting @ Center		33.00	
86	5370-000	Meeting Exp & Supplies		240.00	04/03/03	04/28/03	X			Food for diabetic meeting		240.00	
87	7990-000	Misc. Expenses		100.00	11/05/02	11/05/02	X		2471	Deposit for Xmas party		100.00	
88	7990-000	Misc. Expenses		179.00	02/19/03	05/21/03	X			Deposit for Xmas party		179.00	
89	7990-000	Misc. Expenses		100.00	05/03/03	05/03/03	X			Deposit for Xmas party		100.00	
90	7850-000-000	Office Supplies		545.00		07/16/02	X		2281	EO shares for 3 service districts		545.00	
91	7850-000-000	Office Supplies		331.83	06/12/03		X			EO shares for 3 service districts		331.83	
92	7850-000-000	Office Supplies		65.00	01/29/03		X			EO shares for 3 service districts		65.00	
93	7850-000-000	Office Supplies		31.86	12/11/02		X			EO shares for 3 service districts		31.86	
94	7850-000-000	Office Supplies		59.22	11/05/02		X		2495	EO shares for 3 service districts		59.22	

ATTACHMENT D

GL Account #	GL Account Name	Cost Report Line Item Name	Amount	Invoice Date	Payment Date	Adequately Supported (A)	Cancelled Check Received (X)	Check #	Item(s) Purchased	Late Fee Amt	Amt Other Unallow Costs	Comments
96	7650-000-000 Office Supplies	Supplies	105.69	03/17/03		X			Item(s) Purchased			
97	7650-000-000 Office Supplies	Supplies	2,048.74	02/25/03					robot cassette for color printer			
98	7650-000-000 Office Supplies	Supplies	455.00						various office supplies 7/26-2/25/03	45.11	2,335	previous balances not supported
99	7650-000-000 Office Supplies	Supplies	960.79						end		960.79	PAO states 2 exam sheets and 1 office use
100	7650-410 Office Supplies Denial	Supplies	300.00	03/03/03					end			
101	7650-410 Office Supplies Denial	Supplies	210.00	07/24/03	08/14/02	X			2 Miralax 151 Colon Image Units			
102	7650-410 Office Supplies Denial	Supplies	285.40	02/28/03	09/12/02	X	X		Ray Equipment			
103	7650-410 Office Supplies Denial	Supplies	31.00	02/28/03		X	X		Water Service (Denial Center) 2/1-2/2/03		285.40	OK Memo: CME Reimbursement
104	7650-410 Office Supplies Denial	Supplies	1,162.00	12/31/02	01/08/03	X	X		ADA & ADA Dues (less dental dues)			
105	7650-410 Office Supplies Denial	Supplies	222.40		08/12/03		X		ADA & ADA Dues (less dental dues)		222.40	OK Memo: 444262
106	7650-410 Office Supplies Denial	Supplies	240.00		01/28/03	X			CME - 3 dental courses			
107	7650-410 Office Supplies Denial	Supplies	505.00		01/14/03	X	X		CME - 1099 end		505.00	
108	7650-000-000 Expenses	Marketing	2,420.00	10/18/02	11/20/02	X			5% of tobacco monies for Stanswade Lung Campaign		2,420.00	PA Forum includes lobby 'g' costs.
109	5350-000-000 Professional Dues	Prof Org Dues	4,200.00	01/07/03	02/24/03	X			Center's 02-03 dues		4,200.00	includes lobby unallowable
110	5350-000-000 Professional Dues	Prof Org Dues	1,000.00		07/16/02		X		2362 end		1,000.00	includes lobby costs
111	5380-000 Professional Dues	Prof Org Dues	700.00	10/14/02	11/20/02	X			PA & Lactating Medicine Society Dues (less dental copayments)			OK memo states 01/02 assessment
112	5350-000 Seminars & Conferences	Travel & Training	825.00				X		hotel food bev parking (NY/NY) per cc stmt		825.00	CX memo states CME reimb
113	5350-000 Seminars & Conferences	Travel & Training	1,128.38	12/15/02			X		hotel food bev parking (NY/NY) per cc stmt		1,128.38	travel not justified and costs not itemized
114	5350-000 Seminars & Conferences	Travel & Training	210.00	03/21/03		X			CPR Class (7 people @ \$30)			
115	5350-000 Seminars & Conferences	Travel & Training	2,000.00	03/03/03					CME Reimbursement (Course - Sarasota, FL)		1,587.00	only 413 allowed for cost of class.
116	5350-000 Seminars & Conferences	Travel & Training	2,000.00		08/29/02	X			2362 end		2,000.00	some receipts not itemized
117	5350-000 Seminars & Conferences	Travel & Training	30.00	02/26/03		X			food for HIPAA meeting held at Stanswade Primary		30.00	OK Memo: CME Reimbursement
118	5350-000 Seminars & Conferences	Travel & Training	725.00	05/23/03		X			Annual Conference		725.00	Also paid 2 21 more than invoice
119	5350-000 Seminars & Conferences	Travel & Training	2,600.00	05/05/03		X			CME course and hotel (New Orleans, LA)		2,350.00	includes lodging costs
120	5350-000 Seminars & Conferences	Travel & Training	88.09	02/17/03					PA Forum - mg personal car mileage 2/19-2/21/03			no justification for travel; mg location unknown
121	7172-000 Software Hardware	IT Processes	4,555.36		09/27/02	X	X		2427 end		4,555.36	PA Forum includes lobby costs, inadequate
122	7420-000 Telephone Long Distance	Telephone	1,077.80	09/14/02	10/22/02	X			telephone service 9/14/02-10/30/02		89.99	PA Forum includes lobby costs, inadequate
123	7420-000 Telephone Long Distance	Telephone	1,552.70		09/12/02		X		end		4,555.36	PA Forum includes lobby costs, inadequate
124	5330-000 Travel & Entertainment	Travel & Training	110.45	05/14/03	05/29/03	X			food for personal message to post office & postage		27.41	no justification for travel; mg location unknown
125	5330-000 Travel & Entertainment	Travel & Training	27.21	04/03/03		X			17/07-21/03/03		27.21	PA Forum includes lobby costs, inadequate
126	5330-000 Travel & Entertainment	Travel & Training	390.31	12/23/02	01/02/03	X			PA Forum includes lobby costs, inadequate		390.31	includes 331.33 materials
127	5330-000 Travel & Entertainment	Travel & Training	23.90	03/25/03	05/29/03	X			PA Forum includes lobby costs, inadequate		23.90	includes 331.33 materials
128	5330-000 Travel & Entertainment	Travel & Training	600.00	05/25/03	06/02/03	X			2 registration fees for BPHC At Grants Mng (includes hotel)			
129	5330-000 Travel & Entertainment	Travel & Training	23.90	04/25/03	06/02/03	X						
130	5330-000 Travel & Entertainment	Travel & Training	14.95	06/14/03	06/30/03	X						
131	5330-000 Travel & Entertainment	Travel & Training	1,394.27	11/08/02	11/14/02				BPHC/RCAK Conference/Travel costs 11/8-11/16/02		1,394.27	no justification for attending or evidence conference was attended; receipts not itemized
132	5330-000 Travel & Entertainment	Travel & Training	764.81	08/06/03	08/13/03				PA Forum annual conf travel costs 644-690/03		764.81	no justification for attending; PA Forum includes lobby costs, receipt not itemized
133	5330-000 Travel & Entertainment	Travel & Training	451.83	07/17/02					Multiple social user mg travel costs 7/6-7/17/02		451.83	no justification for attending or evidence conference was attended; receipt not itemized

451.83

Senior Primary Health Care Center  
 Sampled Checks and Non-Reimbursable Costs

N7205-A05  
 PK 107-428

Count	GL Account #	GL Account Name	Cost Report Line Item Name	Vendor	Amount	Invoice Date	Payment Date	Adequately Supported (X)	Cancelled Check Received (X)	Check #	Item(s) Purchased	Late Fee Amt	Amt Other Untaxed Costs	Comments
134	5330-000	Travel & Entertainment	Travel & Training		82.89	03/28/03	11/05/02		X	2492 CND	Wife update breakfast in Scranton w/ doctors online service		14.04	cost of breakfast also no itemized receipt
135	5330-000	Travel & Entertainment	Travel & Training		590.70					2491 CND	Wife update breakfast in Scranton w/ doctors online service		590.70	cost of breakfast also no itemized receipt
136	5330-000	Travel & Entertainment	Travel & Training		534.64	02/21/03	02/28/03				Travel cost temp for PA Forum w/ wife mg		934.44	PA Forum includes rooming costs, parking, also unallowable, receipts not itemized
137	5330-000	Travel & Entertainment	Travel & Training		35.00		05/01/03				CND		25.00	PO states legal arrangement
138	5330-000	Travel & Entertainment	Travel & Training		14.95		06/03/03				CND		14.95	CA memo: remote travel Pittsburgh
139	5330-000	Travel & Entertainment	Travel & Training		202.11		11/05/02		X	2496 CND	CND		232.11	CA memo: remote travel Pittsburgh
140	5330-000	Travel & Entertainment	Travel & Training		74.19	03/11/03	03/13/03				portable cd player for music for telephone ceiling direct, min. fridge (vacuum, blood, etc)		325.47	CA memo: travel reimbursement
141	5330-000	Travel & Entertainment	Travel & Training		201.40	05/23/03	06/13/03		X	4918 CND	portable cd player for music for telephone ceiling direct, min. fridge (vacuum, blood, etc)		204.60	CA memo: travel reimbursement
142	5330-000	Travel & Entertainment	Travel & Training		212.50	01/16/03	07/23/02		X	2304 CND	travel costs 1/8-1/10/03		272.00	no justification for travel
143	5330-000	Travel & Entertainment	Travel & Training		508.31	1/20/02					Water Service 8/26-11/22/02		8.17	CA memo: travel reimbursement
144	5330-000	Travel & Entertainment	Travel & Training		506.35	02/03/03					Water Service 11/23/02-1/24/03		7.62	no justification for travel
145	5330-000	Travel & Entertainment	Travel & Training		527.48	04/01/03					Water Service 1/25-2/26/03		7.80	
146	7233-000	Water	Utilities		518.15	06/02/03					Water Service 6/27-8/27/03			
147	7233-000	Water	Utilities		510.21		08/14/02				Water Service 8/28-7/26/02			
148	7233-000	Water	Utilities		33.30		09/12/02				2384 Water Service			
149	7233-000	Water	Utilities		544.41		10/22/02		X	2464 Water Service 7/26-9/26/02			13.30	no invoice, check memo has different account.
150	7233-000	Water	Utilities		138,842.77									

Other non-reimbursable costs  
 No account detail or support for \$5,189 recorded in GL account 7910, Bank Service Charges  
 Soda for vending machine \$84.50  
 Pay phone service, income unknown but: eggs say sell supporting

non-reimbursable due to lack of support  
 unsupported regular monthly prints allowed  
 Total costs not supported  
 non-reimbursable cost (excluding late fees):  
 late fees  
 Total non-reimbursable costs  
 non-reimbursable due to lack of support  
 Total non-reimbursable costs  
 Total Costs Disallowed

395.25	44,047.17	643.95	3299 revenue offset meeting exp on cost report OK
31,534.88	1,0084.35		
44,019.21			
12,512.29	398.25	31,534.88	
13,910.54		12,910.54	
44,445.42		44,445.42	

Account Report D

MINUTES HIPAA COMMITTEE - January 23, 2003

ATTENDANCE: [REDACTED]

D. Marchena, LPN, Bob Barber, Shirley Watkins, N. Lachase (absent), I. Pfeiffer, M. Carey, MA, Debbie Hughes, and J. Bruzgulis  
 [REDACTED] b CRNP, P. Keenan (absent), RN, M.L. Czyzyk, RN,

Agenda #	Topic	Discussion	Action/Resolution
1	Minutes	Minutes of meeting dated 1/13/03 distributed and read	Motion to accept minutes as written made by Mary Lou Czyzyk, seconded by Linda Pfeiffer
2	Training of All Center Staff	Training of all staff on HIPAA regulations to be the responsibility of committee members	All center staff to be instructed on training available in Training Room - training not to be done during working hours
3	Group Review for Individual Policy Committees	Committee I - Notice of Privacy	Policy to be accepted as written
		Committee II - Patient's Right to Request Amendment to Health Information	Policy to be accepted as written
		Committee III - Policy and Procedure on Patients' Right to Access Health Information	Policy to be accepted as written with charges to be inserted
4	Distribution of New Policies to be Reviewed and Revised	New policies distributed	Committees to meet to discuss

MINUTES HIPAA COMMITTEE - January 30, 2003

ATTENDANCE: Dr. [REDACTED]

D. Marcheona, LPN, [REDACTED], [REDACTED], Shirley Watkins, N. Lachase, L. Pfeiffer (absent), M. Carey, MA, Debbie Hughes, and J. Bruzgulis

M. Aldrich, CRNP, P. Keenan, RN, M.L. Czyzyk, RN,

Agenda #	Minutes	Topic	Discussion	Action/Resolution
1			Change Item #2 to read "training of all staff on HIPAA regulations to be the responsibility of supervisors". Suggestion made that recommendations be put in minutes.	Motion to accept minutes, with notations, made by Mary Lou Czyzyk, seconded by Maureen Carey
2	Review of Policies Distributed at Last Meeting		Committee I - Handling of Privacy Complaints	Policy to be accepted as written except to change the name [REDACTED] to Nurse Manager
			Committee II - Policy and Procedure on Requesting Confidential Handling of Information	Policy to be accepted as written with the exception of "e-mail" being eliminated
			Committee III - Policy and Procedure to Request Restrictions on Use and Disclosure of Protected Health Information	Policy to be accepted as written
3	Distribution of New Policies		Committees given new policies to review	Committees to meet separately to discuss

# MINUTES FROM DIABETES COLLABORATIVE

Attendance: Dr. [redacted] Mary Lou, Jill, Debbie and Bob

Date: February 7, 2003

Respectfully Submitted by: Mary Lou Czyzyk and Jill Mulderig

SUBJECT	DISCUSSION	RESOLUTION	ACTION
Minutes Mary Lou opened meeting at 12:05 PM	Mary Lou explained that minutes exist for previous meetings but she did not have time to transcribe them. She suggested maintaining the minutes in their rough format.	Committee agreed to Mary Lou's suggestion.	Minutes will be transcribed briefly from this meeting forward.
Charlotte meeting	Mary Lou discussed at length the results of the Charlotte meeting. The Diabetes Collaborative will continue into Phase II. She offered the letter from Dr. [redacted] that permits termination of Quality Measures and the substitution of monthly reporting of diabetic data.	Monthly reporting will continue. QA committee should decide which Quality Measures would be retained for internal audit purposes. DEMS entry must become the responsibility of other personnel besides the nurse manager.	Quality Measures issue will be forwarded to QA committee. Mary Lou will discuss DEMS entry with Martha.
Action Plans	Mary Lou and Jill discussed the action plans formulated at Charlotte		
DCA 2000	Mary Lou said that one component of the action plan is to spread the DCA 2000 to the uninsured in Dr. [redacted] practice. Jill said that she was surprised at the number of Hispanic patients in Dr. Gomar's practice who are uninsured.	Jill and Mary Lou will identify a location for the DCA on Dr. [redacted] side and move it as soon as possible.	QA for DCA will be reviewed DCA 2000 will be moved. All Center patients without insurance will now be offered an in house HbA1c.
Kidney Screening Day	Mary Lou spoke Moses Taylor Hospital's proposal to sponsor a Kidney Screening day at our Center during May. Mary Lou asked the committee if they felt inviting our uncontrolled diabetics to the fair would be a good community PDSA. Those present liked the idea.	Mary Lou will query the DEMS for patients with the following criteria. HbA1c ≥ 10. BP > 135/85. Creatinine above 1.2	
Nutrition contacts	Mary Lou said she has been in touch with the director of the nutrition program at Marywood to ascertain if their students can help us with the self-management group. Mary Lou also asked the dieticians from Moses Taylor if there would be some way in which the	Martha will send a letter to Marywood that stated that she would be open to placement of students. Also Martha will agree to enter into a contractual agreement with the University if this is necessary.	Mary Lou will follow up on the resolution for this action step.

		<p>could assist us with either supervision of students or working with the self-management group</p> <p>Mary Lou explained that [redacted] which is a QA arm of the local managed care organization have requested that we participate in a diabetic audit for information that would be present in the DEMS</p>	<p>The committee suggested that the [redacted] material be reviewed and if it seems an achievable project, that the Center considers participating because our diabetic data is good and we should be blowing our horn a little more.</p>	<p>Mary Lou will review the material and discuss with Martha on her return.</p>
<p>New business</p>				

MINUTES HIPAA COMMITTEE - 2/13/03

ATTENDANCE: Dr. [REDACTED] (absent), M. Aldrich CRNP, P. Keenan, RN, M.L. Czyzyk, RN, D. Marcheona, LPN, Bob Barber, Shirley Watkins, N. Lachase, L. Pfeiffer (absent), M. Carey, MA, D. Hughes, and J. Bruzgulis

Agenda #	Topic	Discussion	Action/Resolution
1	Minutes approval	Minutes of prior meeting dated 2/6/03 distributed and read	Motion to accept minutes as written made by Shirley Watkins, seconded by Mary Lou Czyzyk
2	Review of Policy - Minimum Necessary Information	Amount of information released will depend on staff category	Policy reviewed and accepted
3	Privacy Officer Job Description	Position duties read and explained	Accepted
4	Review of Policies Distributed at Last Meeting	Committee I - Policy and Procedure on Account for Disclosure	Policy accepted as written
		Committee II - Policy and Procedure on De-Identification of Protected Health Information	Policy accepted as written
		Committee III - Business Associates Contract	Accepted as written

**MINUTES DIABETES COLLABORATIVE MEETING**

**ATTENDANCE:**

Mary Lou Czyzyk, RN, Paula Keenan, RN,

MD, Jill Mulderig, RN, and Bob Barber

**ABSENT:**

April 4, 2003

**RESPECTFULLY SUBMITTED BY:**

Mary Lou Czyzyk, RN

	SUBJECT	DISCUSSION	ACTION
1.	Approval of Minutes Mary Lou opened meeting at 12:08 PM	Mary Lou Czyzyk asked for a motion to approve the minutes of the last meeting as written.	A motion was offered by Paula Keenan and seconded by Bob Barber. The motion passed unanimously.
2.	HDC Report to the Board	Mary Lou directed the attention to the HDC Report included in the day's handouts. She told the committee that Dr. [redacted] would present this report at the June Board of Directors meeting. Mary Lou asked for a motion to approve the report.	A motion was offered by [redacted] MD and seconded by Jill Mulderig. The motion passed unanimously.
3.	Revision of the Inactive Registry Policy	Mary Lou told the committee that a request had been made to revise the time frame for moving a patient from two years to one year. A discussion followed concerning the rationale for this change.	A motion was offered by Jill Mulderig and seconded by Dr. [redacted]. The motion passed unanimously.
4.	New Business	There was no new business	Mary Lou closed the Meeting at 12:55 PM

MINUTES HIPAA COMMITTEE - April 10, 2003

ATTENDANCE: Dr. [REDACTED], M. Aldrich CRNP, P. Keenan, RN, M.I. Czyzyk, RN, D. Marcheona, LPN, Bob Barber, Sherry Watkins, IV, Eacuse, L. Pfeiffer, M. Carey, MA, Debbie Hughes (absent), and J. Brzgnulis

Agenda #	Topic	Discussion	Action/Resolution
1	Minutes approval	Minutes of meeting dated 4/3/03 distributed and read	Motion to accept minutes as written made by Mary Lou Czyzyk, seconded by Linda Pfeiffer
2	Health System Prepares for Privacy Rules	Passout distributed	To be read
3	Acknowledgement of Privacy Notice	Placement	Privacy Notice to be placed as follows: <u>Medical</u> - Old Charts - Notice to be placed on right hand side, under med sheet: New Charts - Notice to be placed back, right hand side - <u>Dental</u> - back, right hand side

MINUTES HIPAA COMMITTEE - 4-24-03

ATTENDANCE: Dr. [REDACTED], M. Aldrich CRNP, P. Keenan, RN, M.L. Czyzyk, RN, D. Marcheona, LPN, Bob Barber, S. Watkins, N. Lachase, L. Pfeiffer, M. Carey, MA, (absent), D. Hughes, and J. Bruzgulis

Agenda #	Topic	Discussion	Action/Resolution
1	Minutes approval	None available	
2	HIPAA DOCS responses	May be used	Sign in address, leave message (limit information) -- written response will include disclaimer
3	Business Associate Agreement	Agreements should be sent to the following: CIC, CSS, United Neighborhood, WRC, VA, McCauley, Salvation Army, Allied, Harbor House, Lourdesmont, Friendship House, all Hospitals, Keystone Residence, Insurance Companies, Labs, WIC, PHA, Scranton Counseling Center, Nursing Homes, Pennswood Manor, Scranton Temple, Cleaning Service, Home Medical Supplies	Agreements to be sent
4	Permanent HIPAA Committee Membership	Members appointed for permanent committee membership	Following members appointed: Michelle Aldrich, Debbie Hughes, Dr. [REDACTED] Dr. Bob Barber, Paula Keenan, Mary Lou Czyzyk, Nadine Lachase
5	HIPAA Committee Meeting Frequency	Committee to meet on regular basis	Members to serve a two-year term. At first, meetings will be held on monthly basis, then quarterly

**SCRANTON PRIMARY HEALTH CARE CENTER  
DR. [REDACTED] WAGES PAID  
JULY 1, 2002 THROUGH JUNE 30, 2003**

	<u>AMOUNT</u>
3RD QTR. 2002	\$ 80,084.77
4TH QTR. 2002	\$ 58,122.59
1ST QTR. 2003	\$ 66,796.66
2ND QTR.. 2003	\$ 57,254.28
TOTAL	<u>\$ 282,258.30</u>
LESS: TSA Contribution	\$ (17,231.49)
6-30-02 Reconciliation	<u>\$ (7,624.00)</u>
	<u><u>\$ 237,402.81</u></u>

**SCRANTON PRIMARY HEALTH CARE CENTER INC.**  
**DR. [REDACTED] WAGES PAID**  
**JULY 1, 2002 THROUGH JUNE 30, 2003**

	<u>AMOUNT</u>
3RD QTR. 2002	\$ 34,409.89
4TH QTR. 2002	\$ 44,580.44
1ST QTR. 2003	\$ 49,042.21
2ND QTR. 2003	\$ 42,036.18
TOTAL WAGES PAID	<u>\$ 170,068.72</u>

COMP NO  
7618

SCRANTON PRIMARY HEALTH CARE CENTER DEPARTMENT 1

PAYROLL REGISTER

PAY PERIOD	END	CHECK DATE	PAGE
9/08/2002	W	9/11/2002	1

EMPLOYEE NAME				HOURS & EARNINGS THIS PAY				DEDUCTIONS THIS PAY				OTHER THIS PAY		CHECK NO.
REG	HOURS	RATE	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT	NET PAY	CHECK NO.	
REG	800	1723.149	1378527	MDCARE	24986	PENSN	1200000					PREPAY 225	14312	
				FED WH	80984	ST TAX	48248					NET 351700		
				CTY TX	17231	DEDS	1371489							
<i>TSA Adjustment</i>														
REG	800	888515	704992	MDCARE	12883	FED WH	137537					CHK NO 14312		
				ST TAX	24878	CTY TX	8885					NET 704992		
				DEDS	184183									
REG	800	377596	303137	SOCSEC	23441	CTY TX	12838					CHK NO 14313		
				MDCARE	5475	PENSN	15300					NET 225137		
				FED WH	84862	ST TAX	10573							
				DEDS	152459									
REG	800	456731	363125	SOCSEC	16674	CTY TX	4567					CHK NO 14314		
				MDCARE	6623	PENSN	25000					NET 313679		
				FED WH	77400	ST TAX	12788							
				DEDS	143052									
REG	800	480769	385125	MDCARE	6971	FED WH	120403					CHK NO 14315		
				FED WH	13462	CTY TX	4808					NET 335125		
				CTY TX	4808	DEDS	145644							
<i>DEPARTMENT 2</i>														
REG	800	22496	18690	SOCSEC	1395	CTY TX	225					CHK NO 14316		
				MDCARE	326	FED WH	1230					NET 18690		
				FED WH	1230	ST TAX	630							
				DEDS	3806									
REG	800	22496	14317	SOCSEC	1395	CTY TX	225					CHK NO 14317		
				MDCARE	326	FED WH	1230					NET 14317		
				FED WH	1230	ST TAX	630							
				DEDS	3806									
REG	800	22496	18680	SOCSEC	1395	CTY TX	225					CHK NO 14318		
				MDCARE	326	FED WH	1230					NET 18680		
				FED WH	1230	ST TAX	630							
				DEDS	3806									
REG	800	27960	15557	SOCSEC	14662	CTY TX	2365					CHK NO 14318		
				MDCARE	3429	HEALTH	9450					NET 15557		
				FED WH	44386	ST TAX	6621							
				DEDS	80923									

A D computer

W/G S - SALARY  
CAT H - HOURLY  
D - DAILY  
P - PIECEWORK  
C - COMMISSION  
R - DRAW & COMM.  
T - TIPS & WAIVE  
E - GROSS  
FREQ. W - WEEKLY  
B - BI-WEEKLY  
S - SEMI-MONTHLY  
M - MONTHLY  
Q - QUARTERLY



COMP NO.  
7618

SCRANTON PRIMARY HEALTH CARE CENTER

# EMPLOYEE MASTER

EMPLOYEE NAME & ADDRESS  
 BCD # EMP # DPT | JOB | SDR | SEC. NO  
 FICA FIT BUFA SV SIT LOCAL FBO STAT  
 FED WH STATUS | ST EX WRL WK | MISC CD  
 MC CAT

## ADDITIONAL EMPLOYEE DATA

## HOURS & EARNINGS

## DEDUCTIONS

## OTHER

PAY PERIOD END CHECK DATE PAGE  
 Y 12/23/2002 5

REG	Y-T-D	QUARTER	TO-DATE	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT
REG	44550	1500	311850	10500	SOCSECC	20165	CTV 2	11060		
HOL	1500		10500	2902	MDCARE	4715				
BONUS			2902		FED WH	20412				
GROSS Y-T-D			325252							
QUARTER-T-O-DATE			325252							
GROSS Q-T-D			325252							
REG	25350323		21108		SOCSECC	526380	CTV 1	253708		
BONUS			21108		MDCARE	367874	OPT	1600		
GROSS Y-T-D			25371431		FED WH	3814682	PENSN	1200000		
QUARTER-T-O-DATE			25371431		ST 42	710395				
GROSS Q-T-D			5812289		QUARTER-T-O-DATE	84275	QUARTER-T-O-DATE	162746		
GROSS Y-T-D			00		MDCARE	963241	ST 42	58120		
QUARTER-T-O-DATE			00		FED WH		CTV 1			
GROSS Q-T-D			00							
REG	1653325		1642147		SOCSECC	111395				
OT1	625		9159		MDCARE	26054				
SICK	4225		42034		FED WH	207823				
VAC	3750		36563		ST 42	50305				
HOL	5600		56103		CTV 1	17958				
BONUS			2823							
PAY AU			7853							
GROSS Y-T-D			1786692		QUARTER-T-O-DATE	30052	QUARTER-T-O-DATE	13571		
QUARTER-T-O-DATE			1786692		SOCSECC	7030	CTV 1	4848		
GROSS Q-T-D			484703		MDCARE	56302				
REG	700		7000		SOCSECC	434	ST 42	196		
GROSS Y-T-D			7000		MDCARE	102	CTV 2	238		
QUARTER-T-O-DATE			00							
GROSS Q-T-D			00							
REG	5600		275000		SOCSECC	18600	ST 42	8400		
PAY AU			25000		MDCARE	4350	CTV 1	3000		
GROSS Y-T-D			300000		FED WH	44169	OPT	1000		
QUARTER-T-O-DATE			25000		QUARTER-T-O-DATE	1550	QUARTER-T-O-DATE	700		
GROSS Q-T-D			25000		SOCSECC	362	CTV 1	250		
					MDCARE	3680				
					FED WH					

ABV - COMMISSION  
 R - DRAW & COMM.  
 T - TIPS & WAGE  
 G - GROSS

W - WEEKLY  
 BI - BI-WEEKLY  
 S - SEMI-MONTHLY  
 M - MONTHLY  
 Q - QUARTERLY

SEQ # 28 12/23/2002

EM

CIVIL SERVICE WAIVER

**EMPLOYEE NAME & ADDRESS**  
 GAO # EMP # DPT JOB SOC SEC NO  
 ECA EIT FUTA SU SIT LOCAL FRO LSTAT  
 EDI WH STATUS ST EX WRT WK LMBST CD  
 MC CAT AMT 011 012

**ADDITIONAL EMPLOYEE DATA**

**HOURS & EARNINGS**  
 YEAR-TO-DATE

**DEDUCTIONS**  
 YEAR-TO-DATE

**OTHER**  
 YEAR-TO-DATE

REG	Y-T-D	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT
REG	Y-T-D	6679666	SOCSEC	414141	SUI 42	1337		
GROSS	Y-T-D	6679666	MDCARE	96832	CTY 1	66794		
	QUARTER-TO-DATE		FED WH	1086400	OPT 1	1000		
	QUARTER-TO-DATE	6679666	ST 42	187033				
REG	Y-T-D	474831	SOCSEC	414141	SUI 42	1337		
GROSS	Y-T-D	474831	MDCARE	96832	CTY 1	66794		
	QUARTER-TO-DATE		FED WH	1086400	OPT 1	1000		
	QUARTER-TO-DATE	474831	ST 42	187033				
REG	Y-T-D	2250	SOCSEC	34443	SUI 42	1000		
GROSS	Y-T-D	2250	MDCARE	8056	CTY 1	1565		
	QUARTER-TO-DATE		FED WH	64688	SUI 42	1111		
	QUARTER-TO-DATE	2250	ST 42	15565				
REG	Y-T-D	1500	SOCSEC	34443	SUI 42	1000		
GROSS	Y-T-D	1500	MDCARE	8056	CTY 1	1565		
	QUARTER-TO-DATE		FED WH	64688	SUI 42	1111		
	QUARTER-TO-DATE	1500	ST 42	15565				
REG	Y-T-D	299080	SOCSEC	18554	SUI 42	2891		
GROSS	Y-T-D	299080	MDCARE	4336	CTY 1	1000		
	QUARTER-TO-DATE		FED WH	33218	OPT 1	1000		
	QUARTER-TO-DATE	299080	ST 42	8374				
REG	Y-T-D	248518	SOCSEC	13539	SUI 42	434		
GROSS	Y-T-D	248518	MDCARE	31234	CTY 2	73234		
	QUARTER-TO-DATE		FED WH	303695	OPT 1	1500		
	QUARTER-TO-DATE	248518	ST 42	60305				
REG	Y-T-D	2153844	SOCSEC	13539	SUI 42	434		
GROSS	Y-T-D	2153844	MDCARE	31234	CTY 2	73234		
	QUARTER-TO-DATE		FED WH	303695	OPT 1	1500		
	QUARTER-TO-DATE	2153844	ST 42	60305				
REG	Y-T-D	334625	SOCSEC	28313	CTY 1	4566		
GROSS	Y-T-D	334625	MDCARE	8672	OPT 1	1000		
	QUARTER-TO-DATE		FED WH	28300				
	QUARTER-TO-DATE	334625	ST 42	12785				
REG	Y-T-D	456645	SOCSEC	28313	SUI 42	91		
GROSS	Y-T-D	456645	MDCARE	8672	CTY 1	4566		
	QUARTER-TO-DATE		FED WH	28300				
	QUARTER-TO-DATE	456645	ST 42	12785				

LABOR C - COMMISSION W - WEEKLY M - MONTHLY  
 URLY R - DRAW & DDMN B - BI-WEEKLY Q - QUARTERLY  
 T - TIPS & WAGE S - SEMI-MONTHLY  
 CTWORK C - GROSS  
 SEQ # 7 3/26/2003 **EM**

EMPLOYEE MASTER

PAY PERIOD	END	CHECK DATE	PAGE
6/15/2003	0	6/18/2003	4

EMPLOYEE NAME & ADDRESS  
 EMPLOYEE ID: 7618  
 EMPLOYEE STATUS: SU  
 SOCIAL SEC. NO.: 012  
 FEDERAL TAX ID: 012  
 MISC. ID: 012

ADDITIONAL EMPLOYEE DATA

DESCR	HOURS	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT
QUARTER-TO-DATE			ST 42	34734.7	QUARTER-TO-DATE			
QUARTER-TO-DATE	57254.28		SOCSEC	12525.9	QUARTER-TO-DATE	16031.4		
			MDCARE	8301.6	SUI 42	11.46		
			FED WH	9138.95	CTV 1	5725.2		

DESCR	HOURS	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT
QUARTER-TO-DATE			ST 42	34734.7	QUARTER-TO-DATE			
QUARTER-TO-DATE	57254.28		SOCSEC	12525.9	QUARTER-TO-DATE	16031.4		
			MDCARE	8301.6	SUI 42	11.46		
			FED WH	9138.95	CTV 1	5725.2		
QUARTER-TO-DATE			SOCSEC	6424.9	QUARTER-TO-DATE			
QUARTER-TO-DATE	92019.4		MDCARE	1502.7	QUARTER-TO-DATE	1346.0		
			FED WH	12059.4	SUI 42	95		
			ST 42	2901.5	MDCARE	697.1		
			SUI 42	205	CTV 1	480.8		
			CTV 1	1036.3	QUARTER-TO-DATE			
QUARTER-TO-DATE			SOCSEC	2980.6	QUARTER-TO-DATE			
QUARTER-TO-DATE	4807.28		MDCARE	697.1	QUARTER-TO-DATE			
			FED WH	5590.6	SUI 42			
			CTV 1		CTV 1			
QUARTER-TO-DATE			SOCSEC	3505.3	QUARTER-TO-DATE			
QUARTER-TO-DATE	90		MDCARE	819.7	QUARTER-TO-DATE			
			FED WH	6296.0	SUI 42	569.2		
			ST 42	1853.0	CTV 1	100.0		
			SUI 42	11.5	QUARTER-TO-DATE			
QUARTER-TO-DATE			SOCSEC	1650.9	QUARTER-TO-DATE			
QUARTER-TO-DATE	90		MDCARE	386.1	QUARTER-TO-DATE			
			FED WH	2974.2	SUI 42	745.6		
			CTV 1		CTV 1	266.1		
QUARTER-TO-DATE			SOCSEC	2480.1	QUARTER-TO-DATE			
QUARTER-TO-DATE	90		MDCARE	5800.6	QUARTER-TO-DATE			
			FED WH	5563.1	CTV 2	1360.6		
			ST 42	1118.95	OPT	15.0		
			QUARTER-TO-DATE		QUARTER-TO-DATE			
QUARTER-TO-DATE			SOCSEC	1144.2	QUARTER-TO-DATE			
QUARTER-TO-DATE	1846.52		MDCARE	2677.2	QUARTER-TO-DATE			
			FED WH	2525.36	CTV 2	6277.2		
QUARTER-TO-DATE			SOCSEC	169.3	QUARTER-TO-DATE			
QUARTER-TO-DATE	2730.0		MDCARE	396	QUARTER-TO-DATE			
			FED WH	171.1	CTV 1	27.3		
			QUARTER-TO-DATE		QUARTER-TO-DATE			
QUARTER-TO-DATE			SOCSEC	169.3	QUARTER-TO-DATE			
QUARTER-TO-DATE	2730.0		MDCARE	396	QUARTER-TO-DATE			
			FED WH	171.1	CTV 1	27.3		
QUARTER-TO-DATE			SOCSEC	5452.7	QUARTER-TO-DATE			
QUARTER-TO-DATE	6970.5		MDCARE	1275.4	QUARTER-TO-DATE			
			FED WH	5579.7	QUARTER-TO-DATE			
			OPT		QUARTER-TO-DATE			
QUARTER-TO-DATE			SOCSEC	100.0	QUARTER-TO-DATE			
QUARTER-TO-DATE	4670.0		MDCARE		QUARTER-TO-DATE			
			FED WH		QUARTER-TO-DATE			
			CTV 1		QUARTER-TO-DATE			
			CTV 1		QUARTER-TO-DATE			

A D Computer

WG S - SALARY  
 CAT H - HOURLY  
 D - DAILY  
 P - PIECEWORK

C - COMMISSION  
 H - DRAW & COMM.  
 T - TIPS & WAGE  
 G - GROSS

FREQ W - WEEKLY  
 B - BI-WEEKLY  
 S - SEMI-MONTHLY

M - MONTHLY  
 Q - QUARTERLY



EMPLOYEE NAME & ADDRESS		ADDITIONAL EMPLOYEE DATA		HOURS & EARNINGS		DEDUCTIONS		OTHER		
REG	EMP #	DPT	JOB	SEC. NO.	REG	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT
REG	EMP #	DPT	JOB	SEC. NO.	REG	AMOUNT	DESCR	AMOUNT	DESCR	AMOUNT
REG	3175				REG	9378492				
GROSS	Y-T-D				GROSS	Y-T-D				
	3175					9378492				
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GROSS	Y-T-D				GROSS	Y-T-D				





EMPLOYEE NAME & ADDRESS	ADDITIONAL EMPLOYEE DATA	HOURS & EARNINGS	DEDUCTIONS	OTHER																										
REG. #	EMP. #	DEPT.	JOB	SUC.	SEC. NO.	FLCA	FLTA	SU	SIT	LOCAL	FED	STAT	ST EXL	WKR	WK	MISC	CO	DESCR	HOURS	AMOUNT	QUARTER-TO-DATE	YEAR-TO-DATE	DESCR	AMOUNT	QUARTER-TO-DATE	YEAR-TO-DATE	DESCR	AMOUNT	QUARTER-TO-DATE	YEAR-TO-DATE
REG	34850	275	297763	3506	21361	31875	16294	370795	370795	00	00	00	00	00	00	00	00	ST	42	137449	198900	ST	42	137449	198900	ST	42	137449	198900	
REG	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	9107839	ST	42	137449	198900	ST	42	137449	198900	ST	42	137449	198900	
REG	94600	12975	247032	46213	70181	23576	1593009	737930	737930	00	00	00	00	00	00	00	00	ST	42	137449	198900	ST	42	137449	198900	ST	42	137449	198900	
REG	53775	275	395247	3032	8268	406548	318623	318623	318623	00	00	00	00	00	00	00	00	ST	42	137449	198900	ST	42	137449	198900	ST	42	137449	198900	
REG	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	6249997	ST	42	137449	198900	ST	42	137449	198900	ST	42	137449	198900	
REG	86675	5175	630439	37726	11026	44782	719326	330937	330937	00	00	00	00	00	00	00	00	ST	42	137449	198900	ST	42	137449	198900	ST	42	137449	198900	

A D Computer

WG S - SALARY  
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R - DRAW & COM.  
T - TIPS & WAGE  
G - GROSS

FREQ W - WEEKLY  
B - BI-WEEKLY  
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SEQ # 13 6/18/2003

EM

SCRANTON PRIMARY HEALTH CARE CENTER, INC. Responses Attachment 5

SCRANTON PRIMARY HEALTH CARE CENTER  
DR [REDACTED] WAGES PAID  
JULY 1, 2002 THROUGH JUNE 30, 2003

	<u>AMOUNT</u>
3RD QTR. 2002	\$ 80,084.77
4TH QTR. 2002	\$ 58,122.59
1ST QTR. 2003	\$ 66,796.66
2ND QTR.. 2003	\$ 57,254.28
TOTAL	<u>\$ 262,258.30</u>
LESS: TSA Contribution	\$ (17,231.49)
6-30-02 Reconciliation	\$ (7,624.00)
	<u>\$ 237,402.81</u>

AGREEMENT BETWEEN  
[REDACTED] (PHYSICIAN)  
AND  
THE SCRANTON PRIMARY HEALTH CARE CENTER, INC. (CENTER)

Due to the Center's error in under funding the Physician's tax sheltered annuity account with the Guardian Insurance and Annuity Company, Inc., the Physician and the Center agree that the Contract Amendment stating that the Center will compensate the Physician an additional \$15,517 satisfies the Physician's request for equity for the period between January 1, 1997 through December 31 2001.

Physician compensation	
1/1/1997-12/31/2001	\$ 1,188,845
X 5%	59,442
Less amount paid to TSA	<u>43,925</u>
1/1/1997-12/31/2001	
Amount owed by Center	\$ <u>15,517</u>

[REDACTED] 6/27/02  
\_\_\_\_\_  
PHYSICIAN

*Mary Lucille George RN* 6-27-02  
\_\_\_\_\_  
FOR THE CENTER/DATE 2002



# SCRANTON PRIMARY HEALTH CARE CENTER, INC.

959 Wyoming Avenue  
P.O. Box 31  
Scranton, Pennsylvania 18501  
Phone 717-344-9684

August 29, 2002

[Redacted]

Scranton Primary Health Care Center  
959 Wyoming Avenue  
PO Box 31  
Scranton PA 18501

Re: Transfer of Healthy Northeast Access Grant to University of Scranton

[Redacted]

As you may already know, effective August 31, 2002, Scranton Primary will no longer be the fiscal agent for the Healthy Northeast Access Program grant. The University of Scranton has already indicated its willingness to become the fiscal agent for the HNAP grant and some of the necessary documents associated with the transfer of the grant to the University of Scranton have already been exchanged.

We want to take this opportunity to thank you for the work that you have done on behalf of Scranton Primary and the Healthy Northeast Access Program.

Very Truly Yours.

Mary Lucille Czyzyk, RN  
Executive Director

Copy: [Redacted] personnel file

9-3-02

Handed original to [Redacted]

[Redacted]

Scranton Primary Health Care Center, Inc. Responses Attachment 8

Line Item	GPW Adjustments		Net Expenses (Adjusted)	Adjustment Calculations (when multiple adj to line item)
	Net Expenses (Reported)	Adj to G/L		
<b>Direct Medical Costs</b>				
Physicians	857,609		712,793	(132,891) Comp + (1,927) Benefits
Nurse Practitioners	79,900		79,900	
Other Nurses	188,278		188,278	
Licensed Clinical Social Workers	20,830		20,830	
Medical Records	125,756	106,362	232,118	(101,551) Compensation + 4,811 Fringe (see schedule 1)
Prof Orig Dues	7,576		2,376	(5,200)
Medical Supplies	31,054		30,634	(420)
Communication	5,950		5,950	
Travel & Training	16,792		3,469	(13,323)
Publications	1,959		1,959	
Laundry & Linens	1,237		1,237	
Medical Waste Disposal	1,236		1,236	
Licenses & Fees	429		429	
<b>Total Direct Medical Costs</b>	<b>1,328,606</b>	<b>106,362</b>	<b>1,281,207</b>	
<b>Direct Dental Costs</b>				
Dentists	96,070		96,070	
Dental Hygienist	46,136		46,136	
Dental Records Costs	28,183		28,183	
Dental Asst	24,600		24,600	
Dental Supplies	15,623		7,747	(7,876)
Lab Fees	22,863		22,863	
<b>Total Direct Dental Costs</b>	<b>233,475</b>		<b>225,599</b>	
<b>Overhead Costs</b>				
Administration	109,151	(21,259)	79,424	(21,259) = (20,297) compensation + (962) Fringe (see schedule 1)
Financial	84,731		84,731	
Billing Dept	208,620		208,620	
Legal	1,390		1,390	
Data Processing	40,159		35,594	(4,565)
Housekeeping	43,875		43,050	(825)
Maint Bldgs	53,263	1,166	54,429	1,113 compensation + 53 Fringe (see schedule 1)
Security	1,598		1,598	
Supplies	30,647		27,073	(3,574)
Dues to Int'l Orgs	5,333		3,608	(1,725)
Insurance	14,519		14,519	
Telephone	15,657	2,352	16,814	(1,195) = (289.14) from invoices + (905.96) from pay phone account
Utilities	26,447	126	26,250	(323)
Maint & Repairs - Equip	9,987		9,987	
Depreciation	87,676		87,676	
Postage	14,260		14,260	
Help Wanted Advertising	1,455		1,455	
Meetings	17,711	(16,642)	383	(686)
Training	150	(150)		
Publications	1,875	(8)	1,867	
Bank Service Charges	5,646		3,357	(2,189) from bank charges account + (100) from invoices
Printing & Duplication	6,834		6,834	
Marketing	6,343		3,899	(2,444)
<b>Total Overhead Costs</b>	<b>787,327</b>	<b>(34,415)</b>	<b>726,818</b>	
<b>Total Costs</b>	<b>2,349,408</b>	<b>71,947</b>	<b>2,233,624</b>	<b>(187,731)</b>

ATTACHMENT H

Scranton Primary Health Care Center, Inc. Responses Attachment 8

Schedule 1 - Fringe Benefit Adjustment Allocation

G/L Comp Accounts Adjusted	Comp Adj	Fringe Allocation %	Fringe Adj
Medical Support	19,851	123.29%	4,811
Administrative	20,293	24.64%	(962)
Facilities	1,113	1.35%	51
	42,367	100.00%	3,902

Schedule 2 - Reported vs. Audited Encounters

Encounters Reported

Practitioner Type	Total Actual Encounters	FTE	Productivity Standard	Minimum Visits	Total Encounters Used for Rate
Physicians	19,029	4.0	4,200	16,800	19,029
Nurse Practitioner	3,073	1.5	2,100	3,150	3,150
Medical Encounters	22,102	5.5	6,300	19,950	22,179
Dentists	3,000	1.0	2,600	2,600	3,000
Dental Hygienists	986	1.0	2,600	2,600	2,600
Dental Encounters	3,986	2.0	5,200	5,200	5,600

Audited Encounters

Practitioner Type	Total Actual Encounters	Diff	FTE	Productivity Standard	Minimum Visits	Total Encounters Used for Rate	Diff (after productivity standard)
Physicians	18,942	(87)	4.0	4,200	16,800	18,942	(87)
Nurse Practitioner	3,272	199	1.5	2,100	3,150	3,272	122
Medical Encounters	22,214	112	5.5	6,300	19,950	22,214	35
Dentists	2,894	(106)	1.0	2,600	2,600	2,894	(106)
Dental Hygienists	1,129	143	1.0	2,600	2,600	2,600	
Dental Encounters	4,023	37	2.0	5,200	5,200	5,494	(106)

Schedule 3 - Audited Rate Calculation

	Medical	Dental	Total
Total Direct FOHC Health Care Costs	1,281,207	225,599	1,506,805
Percent of Distribution	65.03%	14.97%	100%
Overhead Costs Applicable to FOHC Services	617,999	108,819	726,818
Total Costs Applicable to FOHC Services	1,899,206	334,418	2,233,624
Total Encounters	22,214	5,494	27,708
Adjusted Reimbursable Rates	85.50	60.87	
Reported Reimbursable Rates	90.08	62.78	
Difference	(4.58)	(1.91)	

ATTACHMENT H

Scranton Primary Health Care Center  
 FOHC Salaries Comparison

N7005-W35  
 ad1 9/23/08  
 RK 10/10/08

1 Federal Qualified Health Center or Rural Health Clinic	2 Scranton Primary Health Care Center	3 SouthEast Lancaster Health Services, Inc	4 East Liberty Family Health Care Center	5 VCA - Health Group	6 Kendall Rural Health Center	7 Barnes-Jason Health Center, Inc	8 Rural Health Care of Northeast PA	9 Philadelphia (City) Dept of Public Health																	
City (Main PA) Zip Code Number of Sites	Scranton 18509 1	Lancaster 17602 1	Prosburn 15206 2	York 17401 2	Chambersburg 17201 2	Shillington 18967 4	Worcester 18702 7	Philadelphia 19106 70																	
Revenue, Expenses and Changes in Net Assets or Fund Balances	Total Revenue 2,625,535 Total Expenses 2,629,575 Balance Sheets (end of year) Total Assets 1,966,007 Total Liabilities 157,221	3,609,994 3,685,686	4,744,667 4,463,261	4,051,885 919,629	2,644,925 566,161	7,907,502 3,714,360	8,396,599 8,705,328	2,378,286 801,622																	
5 Highest Paid Employees Other Than Officers, Directors and Trustees	1st Highest 2nd Highest 3rd Highest 4th Highest 5th Highest	Salary 271,901 177,075 125,158 102,167 83,135	Hours 32+ 21- 32- 32- 22-	Title Medical Dir Physician Physician Physician Physician	Salary 111,291 106,697 103,366 75,520 58,022	Hours 36 40 40 28 40	Title Medical Dir Physician Dental Dir Physician Finance Dir	Salary 114,130 103,540 99,266 76,227 73,924	Hours 40 40 40 40 40	Title Chief of Mgr M.D. P.C.P. D.O.S M.D.	Salary 112,717 99,667 94,457 93,188 76,262	Hours 40 40 40 40 45-50	Title Physician Dental Dir Physician Physician Exec Dir	Salary 304,546 204,634 185,504 175,561 172,408	Hours 40 40 40 40 40	Title Physician Physician Physician Physician Physician	Salary 146,807 85,806 71,560 65,360 64,740	Hours 40 40 40 40 40	Title Exec Dir Phys Ther Nurse Admin OR Sup Rec'dy Sup	Salary 150,776 135,870 129,823 126,804 121,539	Hours F/T F/T F/T F/T F/T	Title M.D. D.O. M.D. M.D. D.O.	Salary 189,357 189,355 106,120 92,563 51,720	Hours 40 40 40 40 40	Title Dr. Med Ed Dr. Par Dr. Develp Dr. Inv Adv Dr. Finance

Salary at Center	Medical Director	CA/SD	Chief	HI	Chief	Tax	Total
271,901	271,901	6.20%	84,900	1.45%	271,901	3,941	9,205
177,075	177,075	6.20%	84,900	1.45%	164,232	2,381	7,645
125,158	125,158	6.20%	84,900	1.45%	151,752	2,200	7,454
102,167	102,167	6.20%	84,900	1.45%	151,752	2,200	7,454
83,135	83,135	6.20%	84,900	1.45%	151,752	2,200	7,454
Total Salary Adjustment							1,927

Note: Employer taxes paid to the Commonwealth were not calculated because immaterial

ATTACHMENT E



**DISCHARGE SUMMARY**

**NAME:**

**MEDICAL RECORD #:**

**DATE OF BIRTH:** [REDACTED]

**BILLING #:**

**ADMISSION DATE:** [REDACTED]

**SERVICE: OBS ROOM#:**

**DISCHARGE DATE:** [REDACTED]

**ADMISSION DIAGNOSIS:**

1. Intrauterine pregnancy at thirty-eight and six-sevenths weeks.
2. Previous cesarean section.
3. Declines child labor after cesarean delivery - requests cesarean delivery.

**DISCHARGE DIAGNOSIS:**

1. Intrauterine pregnancy at thirty-eight and six-sevenths weeks.
2. Previous cesarean section.
3. Declines child labor after cesarean delivery - requests cesarean delivery.
4. Pregnancy delivered.
5. Blood loss anemia.

**HOSPITAL PROCEDURES:**

1. Repeat cesarean section.
2. Transfusion of packed red blood cells.

**HOSPITAL CONSULTS:**

1. Neonatology.
2. Anesthesia.

**HOSPITAL COMPLICATIONS:**

1. Blood loss anemia.

**BRIEF HISTORY OF PRESENT ILLNESS:**

Ms. [REDACTED] is a 27-year-old, gravida 2, para 1001, who presented to Moses Taylor on the morning of April [REDACTED], 2009. She was thirty-eight and six-sevenths weeks gestation based on a first trimester ultrasound. The patient has a history of a prior cesarean section during her first pregnancy. During this pregnancy, she had been counseled on the risks and benefits of a repeat cesarean section versus a trial of labor after

**DD:** [REDACTED]

07:00 AM

**MR#:** [REDACTED]

**TD:** [REDACTED]

09:48 am

**JOB#:** [REDACTED]

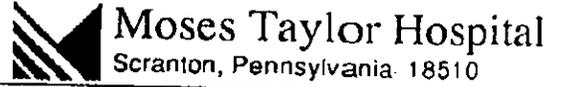
M.D. \*

DISCHARGE SUMMARY

**COPY**

Page 1 of 3

**\*\*\*NOTE\*\*\*THIS REPORT IS TO BE CONSIDERED A PRELIMINARY REPORT UNLESS IT IS SIGNED BY THE DICTATING PHYSICIAN.**



appropriate abdominal discomfort that was controlled with oral analgesics. She denied nausea or emesis. She reported light appropriate vaginal bleeding. She was voiding yellow urine with no dysuria. In brief, she was passing all goals for discharge.

On the morning of post-op day #3 the patient was examined by Dr. [REDACTED]. Her vital signs were normal with a temperature of 98.0 degrees. Heart rate was 100, respiratory rate was 18, and blood pressure was 120/66. Her mood orientation and affect were normal. She was well appearing and in no acute distress. Heart demonstrated a regular rate and rhythm with normal sounds S1/S2. Her lungs were clear to auscultation bilaterally. Her abdomen was soft with appropriate mild tenderness and distension and normal bowel sounds. Her incision was clean, dry and intact with no evidence of erythema, drainage, skin thickening, or cellulitis. Her legs demonstrated no calf tenderness or edema. Post-transfusion hemoglobin was 8.0 as indicated above.

The patient is discharged to home on post-op day #3. She was given routine post-cesarean section discharge instructions. These were provided in written form in Spanish for the patient. The signs and symptoms of complications were reviewed on these instructions.

**DISCHARGE MEDICATIONS:**

1. Ibuprofen 600 mg 1 tablet every 6 hrs as needed for pain.
2. Percocet 5/325 mg 1-2 tablets every 4 hrs as needed for pain.
3. Colace 100 mg 1 tablet, twice daily for thirty days.
4. Ferrous Sulfate 325 mg 1 tablet twice daily for thirty days.

BDW/amp

[REDACTED] M.D. \*

DD: [REDACTED] 07:00 AM MR#: [REDACTED] [REDACTED] M.D. \*  
 TD: [REDACTED] 09:48 am JOB#: [REDACTED]  
 DISCHARGE SUMMARY

**COPY**

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cesarean delivery. The patient had opted for a repeat cesarean section and presented for this procedure on the day of admission.

**COURSE IN HOSPITAL:**

On the day of admission the patient underwent a repeat cesarean delivery. She delivered a viable male infant with a weight of 7 pounds 15 ounces. APGAR scores were 8 and 9 at one and five minutes respectively. There was clear amniotic fluid present. The placenta appeared to be attached to the posterior surface of the uterus with dense attachments to the posterior lower uterine segment. This resulted in somewhat heavier than average bleeding from the posterior lower uterine segment. The remainder of the operative findings during the operation were normal. Estimated blood loss was 750 cc. The surgeon performing the operation was Dr. [REDACTED] with assistance from Dr. [REDACTED]

**POST OPERATIVE COURSE:**

The patient had a brief stay in the recovery room and then was transitioned to routine floor care. Her post-operative course was complicated by blood loss anemia. On post-op day#1 the patient had a post-partum hemoglobin of 6.5. This was considered a decrease that was more than expected given her pre-operative hemoglobin of 12.5. Her hemoglobin was repeated later in the morning on post-op day #1 and was considered stable, however, on post-op day#2 it was repeated again and had now dropped to a level of 5.1. The patient was having minimal symptoms and appeared to be tolerating the anemia quite well. She was somewhat tachycardic, however, and was experiencing mild dizziness. A decision was therefore made to proceed with a transfusion of packed red blood cells.

The patient received three units of packed red blood cells on post-op day #2. Her hemoglobin rose appropriately from a pre-transfusion level of 5.1 to a post-transfusion level hemoglobin level of 8.0. The patient continued to be essentially asymptomatic throughout post-op day #2 and into day #3. Her tachycardia resolved. On the morning of discharge she had a heart rate that was approximately 90 to 96 beats per minute.

Other than as noted above the patient had no problems or complications during her hospitalization. Throughout her post-op stay she denied chest pain, shortness of breath, or leg discomfort. She denied any significant dizziness with ambulation. She reported mild

DD: [REDACTED] 07:00 AM MR#: [REDACTED] M.D. \*  
TD: [REDACTED] 09:48 am JOB#: [REDACTED]  
DISCHARGE SUMMARY

**COPY**

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**Scranton Primary Health Care Center's  
May 26, 2009 Response to the Draft Report  
Exhibit D**

MINUTES HIPAA COMMITTEE - March 21, 2003

ATTENDANCE:

LPN, Bob Barber, Shirley Watkins, N. Lachase, L. Pfeiffer, M. Carey, MA, Debbie Hughes (absent), and J. Bruzgulis

Agenda #	Topic	Discussion	Action/Resolution
1	Minutes approval	Minutes of meeting dated 3/13/03 distributed and read	Motion to accept minutes as written made by Shirley Watkins, seconded by Linda Pfeiffer
2	Staff Training	All Center supervisors have been given invitations for employees to begin training on HIPAA	HIPAA training to be completed by all Center staff
3	Acknowledgement Notices	Printing and mailing notices to present patients to be very expensive	Beginning 4/14/03, all patients will be handed notices at time of appointment and asked to sign acknowledgement. Notices are to be on colored paper and inserted at the bottom right hand side of the chart. Nadine Lachase to investigate cost and color of paper to be used as well as the possibility of using colored ink.
4	Gaps Analysis	Results of walk-through by committee members distributed and discussed	Solutions to be discussed at meeting on March 28

SCRANTON PRIMARY HEALTH CARE CENTER  
COMPUTATION DR. [REDACTED] COMPENSATION  
JULY 1,2002 THROUGH JUNE 30,2003

BASE SALARY	\$115,000.00
RECONCILIATION AMOUNT	\$ 57,402.00
TOTAL AMOUNT SALARY 7-01-02/06-30-03	<u>\$172,402.00</u>
AMOUNT FROM ABOVE	\$172,402.00
PAID TO DATE	\$ 18,269.24
AMOUNT TO PAY	<u>\$154,132.76</u>
\$154132.76 / (22) PAY PERIODS	<u>\$ 7,006.03</u>

**RECONCILIATION**

\$7,006.03 X (22) PAYS	\$154,132.66
PAID TO DATE (4) PAY PERIODS @ \$4,567.31	\$ 18,269.24
TOTAL SALARY 7-01-02/ 6-30-03	<u>\$172,401.90</u>

**SCRANTON PRIMARY HEALTH CARE CENTER  
ANALYSIS COMPENSATION DR**

	THROUGH APRIL <u>2002</u>	MAY <u>2002</u>	JUNE <u>2002</u>	TOTAL
OFFICE	2639	254	295	3188
HOSPITAL	2544	288	250	3082
NURSING HOME	56	0	0	56
<b>TOTAL</b>	<u>5239</u>	<u>542</u>	<u>545</u>	<u>6326</u>

TOTAL ENCOUNTERS            6326

BASE ENCOUNTERS            4200

EXCESS                            2126

X \$27.00

**TOTAL                    \$ 57,402.00**