

Mendocino Coast Health Care District

District Board Meeting

July 27, 2023

Treasurer's Report

Contents:

- Statement of Financial Position
- Adventist Health Accounts Receivable in MCHCD Accounts
- DHCS Intergovernmental Transfer Resolution and Cover Letter
- DHCS Request for Reconciliation FYE 6/30/2020
- CARES Act Provider Relief Fund Update
- Treasury Offsets to AH AR Remittances
- Bank Statements (Available on <https://mchcd.org>)

Discussion Items:

1. Bank of America Accounts blocked to ACH deposits and remote debits as of July 7
2. Intergovernmental Transfer Refund Demand Letter
3. DHCS Request for Reconciliation
4. CARES Act Provider Relief Fund Update
5. Treasury Offsets and Impact on Audits
6. FY2020 and FY2021 Audit Preparations

Board Action:

1. Accept Treasurer's Report

Mendocino Coast Health Care District Statement of Financial Position

As of June 30, 2023

ASSETS

Current Assets

Bank Accounts

CASH AND CASH EQUIVALENTS

BofA xx155	734,708.50
BofA AP xx268	174,273.90
BofA HH AP xx743	35,095.70
BofA HH PR xx680	21,663.14
BofA Master xx263 ¹	435,260.54
BofA Payroll xx282	6,238.47
SBMC Core xxxxx660	13,831.63
SBMC Gift Mem xxx686	0.64
SBMC HH xxx678	73,929.14
SBMC xx378	30,075.98
TRIC Deposit Account 7219	382,092.04
TRIC District AP -Checking (7244)	84,142.86
TRIC Measure C Restricted Fund - 5258	3,624,022.97
TRIC Property Tax Revenue Account 5861	1,350,586.94

Total Verified Bank Accounts	\$ 6,965,922.45
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Total Cash	\$ 6,965,922.45
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Accounts Receivable

CA DHCS Intergovernmental Transfer (Unwind and Refund)	1,095,350.00
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Total Accounts Receivable	\$ 1,095,350.00
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Other Assets

Local Agency Investment Fund (LAIF)	3,543,675.82
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Storage Deposit	1,606.00
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Total Other Assets	\$ 3,545,281.82
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TOTAL ASSETS	\$ 11,606,554.27
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LIABILITIES**Liabilities****Current Liabilities****Accounts Payable**

AHMC Accounts Receivable Claim as of July 7, 2023	383,458.00
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Medical Cost Report Refund (Pending Recon. Request)	619,523.00
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Operations Accounts Payable (A/P) ³	1,198,398.44
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Total Accounts Payable	\$ 2,201,379.44
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Other Liabilities

CARES Act Refund ²	\$ 1,134,339.00
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United Health Care Loan	210,000.00
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Allyson Hundley-Ford Fund	28,904.00
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Total Other Liabilities	\$ 1,344,339.00
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Total Current Liabilities	\$ 3,545,718.44
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Long-Term Liabilities

2016 Refunding Bonds	2,875,000.00
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HELP II Loan 21192275	978,034.00
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Total Long-Term Liabilities	\$ 3,853,034.00
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Total Liabilities	\$ 7,398,752.44
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NET ASSETS MINUS LIABILITIES	\$ 4,207,801.83
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EQUITY

Net Capital Assets - FY2020 Audit (DZA) ⁴	14,549,614.00
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TOTAL EQUITY	\$ 14,549,614.00
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NET WORTH	\$ 18,757,415.83
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NOTES:

¹ This account is primarily if not totally composed of payments to AHMC for services by insurance companies, etc. which will be passed through to AH.

² Figure from FTI Consulting Draft Supporting Calculations Worksheets.xlsx

³ A/P as of 7/1 See Warrant List for details.

⁴ This represents the value of land and improvements owned by the District. This figure comes from the 2019-2020 DZA Audit Capital assets, net of accumulated depreciation.

Disclaimer: This statement was not subjected to an audit, review, or compilation and may contain errors and omissions. The sole purpose of this document is to acquaint the Governing Board of the general status of the District's finances.

Prepared by J. Tippett, Treasurer

Adventist Health Accounts Receivable in Mendocino Coast Health Care District Accounts

Date	Amount	Balance	Description
12/31/2021	12,213,192	12,213,192	District's payable to AH as of 12/31/2021-A/R Reconciliation Summary
1/31/2022	(3,657,960)	8,555,231	Less Transfer to Adventist Health from Tri Counties Bank account #7219
3/4/2022	(403,081)	8,152,150	Less Transfer to Adventist Health from Tri Counties Bank account #7219
11/10/2022	(5,878,413)	2,273,738	Less Wire to Adventist Health from Bank of America account #1263
7/1-31/2022	1,106,365	3,380,103	Patient Payments-July 2022 bank deposits-belonging to Adventist Health
9/2/2022	(790,000)	2,590,103	Less Transfer from Tri Counties bank account ending #7219
8/1-31/2022	619,997	3,210,100	Patient Payments-August 2022 bank deposits-belonging to Adventist Health
11/15/2022	(196)	3,209,903	Less Transfer from Savings Bank of Mendocino #0660
11/16/2022	(617,983)	2,591,920	Less Transfer from Bank of America account #1263
9/1-30/2022	604,420	3,196,340	Patient Payments-September 2022 bank deposits-belonging to Adventist Health
11/14/2022	(601,830)	2,594,510	Less Transfer from Bank of America account #1263 11/14/2022
11/14/2022	(1,994)	2,592,516	Less Transfer from Bank of America account #1263 11/14/2022
11/14/2022	(596)	2,591,920	Less Transfer from Savings Bank account #0660 11/15/2022
10/1-31/2022	273,128	2,865,048	Patient Payments-October 2022 bank deposits-belonging to Adventist Health
11/1-30/2022	1,944,621	4,809,669	Patient Payments-November 2022 bank deposits-belonging to Adventist Health
12/1-31/2022	276,313	5,085,982	Patient Payments-December 2022 bank deposits-belonging to Adventist Health
1/1/-31/2023	264,047	5,350,028	Patient Payments-January 2023 bank deposits-belonging to Adventist Health
2/28/2023	(4,000,000)	1,350,028	Less Transfer from Bank of America account #1263 2/28/2023
1/1/2023	1,060,900	2,410,928	Biannual Lease payment-Improvement Fund due from the District
2/28/2023	185,764	2,596,692	Patient Payments- February 2023
2/28/2023	(1,060,900)	1,535,792	Transfer from Bank of America Account #1263
3/31/2023	205,947	1,741,740	Patient Payments-March 2023
4/30/2023	39,887	1,781,627	Patient Payments - April 2023
5/1/2023	(1,500,000)	281,627	Less Transfer from Bank of America account #0155 5/1/2023
6/1/2023	1,728	283,355	Patient Payments - May 2023 in BofA X3743
6/1/2023	41,315	324,670	Patient Payments - May 2023 in BofA X1263
6/30/2023	51,791	376,462	Patient Payments - June 2023 in BofA X1263
7/7/2023	6,997	383,458	Patient Payments - July 1-July 7, 2023. Patient Payments to BofA accounts closed July 7

Jackson Law Offices

310 S. Main Street, #2

Fort Bragg, CA 95437

E-mail: jackson@mcn.org

Telephone: (707) 962-0222

Facsimile: (707) 962-0269

James A. Jackson

July 18, 2023

VIA EMAIL ONLY

Michael Jordan, Michael.jordan@dhcs.ca.gov

Jennifer Lopez, jelopez@partnershiphp.org

Vivian Beeck, vivian.beeck@dhcs.ca.gov

Re: Intergovernmental Transfer

Dear Mr. Jordan, Ms. Lopez, and Ms. Beeck:

This office represents the Mendocino Coast Health Care District. This letter concerns the intergovernmental agreement regarding transfer of public funds to which the Mendocino Coast Health Care District contributed the sum of \$1,095,395 to the Department of Healthcare Services and the Partnership Health Plan of California.

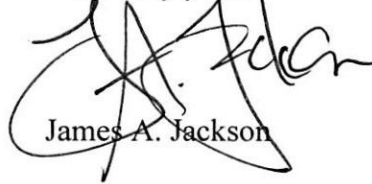
On or about February 23, 2023, Vivian Beeck at DHCS advised the MCHD Treasurer, Jade Tippett, that it was urgent that funds be submitted to the agency as the payment was past due. Mr. Tippett responded in correspondence dated February 23, explaining that he was the new Treasurer and completely unfamiliar with the program (a copy of this email is attached). In reliance on Ms. Beeck, Mr. Tippett promoted an emergency motion before the Board of MCHD which approved the investment with the expectation that it would result in an approximate doubling of the investment. MCHD is a small rural district with extremely limited funds and the prospect of doubling their investment by providing the funds was the only reason the investment was made.

It has subsequently been discovered that MCHD is, in fact, ineligible for participation in this program (something which the District was unaware of at the time it made the investment). The District has accordingly discussed with you the need to return the funds invested by MCHD. On June 29, 2023, the Board of Directors of Mendocino Coast Health Care District adopted Resolution No. 2023-07 specifically authorizing the Chair to request the full refund of the amount of \$1,095,395 from DHCS and Partnership Health. I am writing on behalf of the Chair of the Board of Directors and hereby demand that the funds be returned forthwith. Please advise when we can expect the funds to be returned as these funds are desperately needed for District operations.

July 18, 2023
Page 2

Please do not hesitate to contact me if you would like to discuss these issues in greater detail.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J.A. Jackson', written over a printed name. The signature is stylized and somewhat illegible due to overlapping lines.

James A. Jackson

JAJ:jp
Enclosures

cc: Lee Finney, Chair, MCDH (lfinney@mcdh.org)
Jade Tippett (jtippett@mcdh.org)

Care District

Here you go.

Vivian

From: Jade Tippett <jtippett@mcdh.org>
Sent: Thursday, February 23, 2023 4:23 PM
To: Beeck, Vivian@DHCS <Vivian.Beeck@dhcs.ca.gov>
Cc: Lee Finney <lfinney@mcdh.org>
Subject: [External]Payment Request: CY 2021 Voluntary Rate Range Program - Mendocino Coast Health Care District

Vivian,

As the newly minted Treasurer of the Mendocino Coast Health Care District, this is totally new news to me. Tonight, I am presenting a Financial Position Statement to the Board that shows the District \$3.2 million short of where we should be, using the budget figures outlined in the Lease Agreement with Adventist Health to operate the Mendocino Coast Hospital, now Adventist Health Mendocino Coast. I also just received a \$400,000 bill from your Department for, I assume, overpayments. Looming over us is the 2030 Seismic Compliance deadline with a cost of about \$30 million.

Although Norman DeVall has told me he has a recollection of a vote of the prior Board to participate in this program, I need some more information. It appears that the vote was taken sometime in the last few months of 2022. The prior Board left us no Minutes Book to consult. I will need to do some digging to locate minutes if they were taken, or a recording of the meeting where this vote was taken.

Additionally, despite the vote for participation having been taken, I will need to bring this to the current Board for a vote on the actual transfer of funds, which means that I need some really good reasons why we should do this at this point in time. As I remember from the days when the District ran the Hospital, Intergovernmental Transfers were opportunities to leverage local agency funds to secure larger Federal dollars, and tended to return a 2-to-1 gain when those funds were returned to the District. Is this a similar program?

If you have some background information on this program, please send it to me, including any emails with members of the prior Board which would locate the prior Board's decision in time or document it.

I would also appreciate a conversation on the telephone to get a better understanding of the program.

Thank you,

--j

Jade Tippett
Treasurer
Mendocino Coast Health Care District Board
<https://mchcd.org/>
jtippett@mcdh.org
Mobile: 707-489-4986

MENDOCINO COAST HEALTH CARE DISTRICT
RESOLUTION NO. 2023-07

REQUESTING FULL REFUND OF INTERGOVERNMENTAL TRANSFER INVESTED IN
BY THE DISTRICT ON FEBRUARY 24, 2023, IN THE AMOUNT OF \$1,095,395

WHEREAS an INTERGOVERNMENTAL AGREEMENT REGARDING TRANSFER OF PUBLIC FUNDS (IGT) was entered into between the California Department of Health Care Services (DHCS) and the Mendocino Coast Health Care District (the District), and

WHEREAS this AGREEMENT was memorialized in DHCS CONTRACT # 21-10228, signed on October 6, 2022, by then Treasurer John Redding on behalf of the District and Rafael Davtian, Division Chief, Capitated Rates Development Division, on December 11, 2022, on behalf of DHCS, and

WHEREAS the District Board approved the payment of the full amount of \$1,095,395 on February 23, 2023, and

WHEREAS the District Treasurer wired the full amount of \$1,095,395 to DHCS on February 24, 2023, and

WHEREAS, after taking a 20% service charge from the payment, DHCS delivered the balance of the IGT to Partnership Health, and

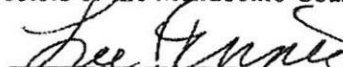
WHEREAS, when contacted by the current Treasurer Jade Tippet inquiring about the status of the IGT, the Deputy CFO Jennifer Lopez at Partnership Health stated that they had determined that Partnership Health was not legally permitted to deliver the return on the IGT to the District because the District does not directly deliver health care services, and

WHEREAS the District entered into this agreement in good faith in the expectation of a reasonable return on this Intergovernmental Transfer and has not been able to designate an alternative recipient of the IGT funds,

THEREFORE, the District Board authorizes the Chair to request and demand the full refund of the amount of \$1,095,395 from DHCS and Partnership Health, and

FURTHERMORE, the District requests that the District be kept fully informed by Partnership Health and DHCS about the progress of the generation of the refund and the expected date that the full refund will be issued.

Approved by the Board of Directors of the Mendocino Coast Health Care District on June 29, 2023



Lee Finney, Chair of the Board of Directors

ATTEST:



Susan Savage, Secretary of the Board of Directors

MEDI-CAL

FEDERALLY QUALIFIED HEALTH CENTER (FQHC)/

RURAL HEALTH CLINIC (RHC)/INDIAN HEALTH

SERVICES (IHS)/MEMORANDUM OF AGREEMENT (MOA)

638 CLINIC RECONCILIATION REQUEST

FQHC/RHC NAME: North Coast Family Health Center

NPI NUMBER: 1124220249

FISCAL PERIOD ENDED: 06/30/2020

**FEDERALLY QUALIFIED HEALTH CENTER (FQHC)/RURAL HEALTH CLINIC (RHC)
PROSPECTIVE PAYMENT SYSTEM (PPS) RECONCILIATION REQUEST
STATISTICAL DATA AND CERTIFICATION STATEMENT**

PART A—GENERAL INFORMATION		
1. FQHC/RHC Legal Name: Mendocino Coast Healthcare District	2. Doing Business as (DBA): North Coast Family Health Center	3. National Provider Identifier (NPI): 1124220249
4. Type of Control: (Select from the drop-down menu) County	5. FQHC/RHC Street Address: 721 River Drive/P.O. Box 579	6. City, State, and Zip Code: Fort Bragg, CA 95437
7. Fiscal Year Begin: 07/01/2019	8. Fiscal Year End: 06/30/2020	9. Preparer Name or Contact Person: Judy Joagland
10. E-mail Address: hauglaj@ah.org	11. FQHC/RHC Owned By: Mendocino Coast Healthcare District POB 579 Fort B	12. Business Phone: 707-489-4986
Other offsite locations: (intermittent clinics) rendering FQHC services and billing using the same NPI as above. (Add pages if needed)		
13. Provider Name	14. Address	15. NPI
PART B—CERTIFICATION STATEMENT		
<p>Intentional misrepresentation or falsification of any information contained herein may be punishable by fine and/or imprisonment under Federal and State laws: (42 CFR 1003.102 "Basis for Civil Money Penalties and Assessments"; 18 U.S.C. 1347 "Health "Care Fraud"; California Welfare and Institutions (W&I) Code 14123.25 "Civil Money Penalties for Fraudulent Claims"; and Title 22 of the California Code of Regulations 51485.1 Civil Money Penalties).</p> <p>Please be advised that continued submission of claims or worksheets/cost reports for items or services which were not provided as claimed are not reimbursable under the Medi-Cal program. If claims are made in violation of an agreement with the State, you or your organization may be subject to civil money penalty assessments in accordance with the California W&I Code, Section 14123.2.</p> <p>Certification by Officer or Administrator of FQHC/RHC: I, <u>Jade Tippett</u>, certify under penalty of perjury as follows: <small>Print Name</small></p> <p>I am an official of the subject clinic and am duly authorized to sign this certification and that to the best of my knowledge and information, I believe each statement and amount in the accompanying report to be true, correct, and in compliance with Section 14161 of the California W&I Code.</p> <p>Refer to the corresponding Certification Statement located on the DHCS Forms & Publications webpage. We will reject any cost report filed without a completed certification statement signed through DocuSign. The individual E-signing this statement must be an officer or other authorized person. https://www.dhcs.ca.gov/formsandpubs/forms/Pages/AuditsInvestigationsForms.aspx</p> <p>For submission of DHCS 3097 (05/2021) follow the Electronic Submission Protocol located on the DHCS Forms & Publications Webpage and submit to the email address below for an acknowledgment receipt. Reconciliation.Clinics@dhcs.ca.gov</p> <p>For assistance/questions please contact: Clinics@dhcs.ca.gov You can also call FQHC/RHC Section at (916) 322-1681</p>		

**FEDERALLY QUALIFIED HEALTH CENTER (FQHC)/RURAL HEALTH CLINIC (RHC)
SUMMARY OF VISITS AND PAYMENTS WITH SETTLEMENT DETERMINATION**

WORKSHEET 1

Clinic Name:	North Coast Family Health Center	Fiscal Period:		
NPI:	1124220249	From:	07/01/2019	To: 06/30/2020

MEDI-CAL VISIT SUMMARY		Period 1	Period 2	Total	
1.	Non-Managed Care Crossovers (Formerly Code 02)	W/S 2	-	-	
2.	Medi-Cal Managed Care (Formerly Code 18)	W/S 3	2,060	5,275	7,335
3.	Non-Managed Care Crossover with Capitated MAP (Formerly Code 20)	W/S 4	-	-	
4.	Total Medi-Cal Visits		2,060	5,275	7,335

PAYMENT SUMMARY		Period 1	Period 2	Total
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Medi-Cal Non-Managed Care Crossovers (Formerly Code 02):

5.	Medi-Cal Fiscal Intermediary	W/S 2	\$ -	\$ -	\$ -
6.	Medicare		\$ -	\$ -	\$ -
7.	Third Party Payer		\$ -	\$ -	\$ -

Medi-Cal Managed Care (Formerly Code 18):

8.	Medi-Cal Fiscal Intermediary	W/S 3	\$ 367,640	\$ 991,549	\$ 1,359,189
9.	Medi-Cal Managed Care Plans		\$ 41,428	\$ 105,335	\$ 146,763
10.	Medicare		\$ 205,340	\$ 538,238	\$ 743,578
11.	Third Party Payer		\$ -	\$ -	\$ -

Medi-Cal Non-Managed Care Crossovers with Capitated MAP (Formerly Code 20):

12.	Medi-Cal Fiscal Intermediary	W/S 4	\$ -	\$ -	\$ -
13.	Medicare		\$ -	\$ -	\$ -
14.	Third Party Payer		\$ -	\$ -	\$ -
15.	Total Payments		\$ 614,408	\$ 1,635,122	\$ 2,249,530

SETTLEMENT DETERMINATION		Final Y/N	Period 1	Period 2	Total
16.	PPS Rates for Periods 1 and 2 (Use Preparer's Notes below if not Final)*	N	\$ 219.85	\$ 223.15	N/A
17.	Total Medi-Cal Visits (From Line 4 Above)		2,060	5,275	
18.	Medi-Cal PPS Amount Payable (Line 16 x Line 17)		\$ 452,891	\$ 1,177,116	\$ 1,630,007
19.	Less: Total Payments (From Line 15 Above)		\$ 614,408	\$ 1,635,122	\$ 2,249,530
20.	Amount Due Clinic (State) Line 18 minus Line 19		\$ (161,517)	\$ (458,006)	\$ (619,523)

NOTE: Because Medi-Cal PPS rates change on October 1st each year, providers must correctly enter Period 1 and Period 2 rates on Line 16 above. Payable amounts on Line 18 for each period are automatically totaled for proper settlement determination on Line 20 (see instructions).

*Preparer's Notes:

**FEDERALLY QUALIFIED HEALTH CENTER (FQHC)/RURAL HEALTH CLINIC (RHC)
MEDI-CAL MANAGED CARE DETAIL
FOR REVENUE CODE 521 WITH HCPCS/CPT CODE T1015 MODIFIER SE (Formerly Code 18)**

WORKSHEET 3

Clinic Name: North Coast Family Health Center	Fiscal Period:
NPI: 1124220249	From: 07/01/2019 To: 06/30/2020

List All Months from Beginning of Fiscal Year (Month Year):	VISITS	PAYMENTS									3RD PARTY PAYERS
		MEDI-CAL INTERIM	MEDI-CAL MANAGED CARE PLANS			MEDICARE					
			FFS	CAPITATED	TOTAL	PPS/UPL/FFS	FFS/CAP MAP	CODE 519	PART D	M-CARE TOTAL	
July	729	\$ 130,194	\$ 14,864		\$ 14,864	\$ 71,451				\$ 71,451	
August	666	\$ 118,790	\$ 13,503		\$ 13,503	\$ 65,735				\$ 65,735	
September	665	\$ 118,655	\$ 13,061		\$ 13,061	\$ 68,154				\$ 68,154	
October	685	\$ 124,110	\$ 14,643		\$ 14,643	\$ 64,044				\$ 64,044	
November	615	\$ 111,536	\$ 11,810		\$ 11,810	\$ 65,605				\$ 65,605	
December	646	\$ 117,255	\$ 13,466		\$ 13,466	\$ 62,482				\$ 62,482	
January	752	\$ 141,958	\$ 16,004		\$ 16,004	\$ 70,739				\$ 70,739	
February	595	\$ 114,941	\$ 11,406		\$ 11,406	\$ 63,598				\$ 63,598	
March	573	\$ 109,431	\$ 11,810		\$ 11,810	\$ 56,234				\$ 56,234	
April	494	\$ 95,413	\$ 9,308		\$ 9,308	\$ 53,779				\$ 53,779	
May	440	\$ 85,070	\$ 9,419		\$ 9,419	\$ 41,060				\$ 41,060	
June	475	\$ 91,836	\$ 7,469		\$ 7,469	\$ 60,697				\$ 60,697	
Annual FYE Total	7,335	\$ 1,359,189	\$ 146,763	\$ -	\$ 146,763	\$ 743,578	\$ -	\$ -	\$ -	\$ 743,578	\$ -
Period 1 Total *	2,060	367,640	41,428		\$ 41,428	205,340				\$ 205,340	
Period 2 Total *	5,275	991,549	105,335		\$ 105,335	538,238				\$ 538,238	
Grand Total	7,335	\$ 1,359,189	\$ 146,763	\$ -	\$ 146,763	\$ 743,578	\$ -	\$ -	\$ -	\$ 743,578	\$ -

Visits must be entered using date of service (DOS) criteria; all prior payments attributable to those visits must be reported.

* Because PPS rates change on October 1st every year, providers must enter the appropriate excel formula to sum all amounts (visits and payments) for the appropriate months of their fiscal year that occur before OCTOBER for Period 1, and the months that occur after SEPTEMBER for Period 2.

FOR EXAMPLE: FYE JUNE 30 - Then July, August and September are Period 1 and October through June are Period 2.

OR FYE DECEMBER 31 - Then January to September are Period 1 and October, November and December are Period 2.

Period 1 and Period 2 totals will automatically populate Worksheet 1 (Summary).

Jade Tippett

From: Jade Tippett
Sent: Thursday, July 13, 2023 2:56 PM
To: 'Hougland,Judith'; Judy Leach (leachjl@ah.org); Tuguta,Yohana; Shepardson,Dean
Cc: Lee Finney
Subject: RE: Medicare Offsets on AR?

Continuing down this rabbit hole, apparently there have been a series of Treasury Offsets taken from payments since January of this year. I assume this has been going on for a long time. This may be the source of the anomalies that Sara Spring found in reviewing figures from the Moss-Adams detail.

This is the list of offsets taken from payments associated with MCHCD EIN 95-2627981:

Creditor: Internal Revenue Service 800-829-1040

April 27, 2023 \$166.89

Creditor: DHHS 301-492-4664

Jan. 24,2023 \$29.00

Creditor: U.S. Department of the Treasury Bureau of Fiscal Services 888-826-3127

April 5, 2023 \$33.52

\$43.32

May 8, 2023 \$976.24

June 15, 2023 \$272.17

\$71.92

June 27, 2023 \$1201.59) The sum of these two amounts equals the \$1,453.94

\$262.35) in the addendum for the deposit.

Creditor: Health Administration Center Debt Collections Unit Department of Veterans Affairs 303-331-7519

June 15, 2023 \$71.92

According to the hold time messages letters were sent to the District detailing the debts that are being reduced by these offsets. I have no record of these letters, nor were they included in the files I obtained from prior Treasurer John Redding.

When I got through to a representative of the Treasury Bureau of Fiscal Services, they told me that the notices were sent to 700 River Drive, Fort Bragg. They also gave me a fax number to request copies of back notices, statements, etc., but so far, that fax machine is not answering.

I did get through to someone at the Department of Veterans Affairs Debt Collections Unit, who was very understanding. He explained that offsets are taken with no connection between the source of the payment and the reason for the offset. He will try to get me the offsets to Department of Veterans Affairs payments.

My biggest concern with this is that the audit of Adventist Health AR and the draws that Adventist Health took from District accounts will need the offset information. If what Sara Spring is saying, that Adventist Health took more than was deposited for certain deposits, the offsets would explain that.

This is something that the District and Adventist Health will need to sort out together in a spirit of cooperation.

Onward...

--j

PLEASE NOTE NEW MAILING ADDRESS BELOW. THANKS!

Jade Tippett
Treasurer
Mendocino Coast Health Care District
P.O. Box 579
Fort Bragg, CA 95437
<https://www.mchcd.org>
jtippett@mcdh.org
Mobile: 707-489-4986

From: Jade Tippett
Sent: Monday, July 10, 2023 12:23 PM
To: Hougland, Judith <houglaj@ah.org>; Judy Leach (leachjl@ah.org) <leachjl@ah.org>
Cc: Lee Finney <lfinney@mcdh.org>
Subject: Medicare Offsets on AR?

Judy,

I fell down a bit of a rabbit hole on Friday, digging into a strange addenda on a deposit in the X0155 account at Bank of America:

Amount: \$2,315.33
Company Id: 351840597U
Company Name: LE_CMS
Original Trace: 042000018437348
Originating Bank: U.S. BANK NATIONAL ASSOCIATION
Phone#: 8009376310
Addenda: 05, ISA*00* *00* *Z*CMMI IPC NGS *ZZ*US BANK *20230628*2013*ã*00501*000000001*0*P*~\,1 |
05, GS*RA*CMMI IPC NGS*USBANK*20230628*2013*0*X*005010\ST*820*000000001*005010\BPR*C,2 |
05, *2315.33*C*ACH*CTX*01*081000210*DA*152319994843*351840597U**01*121000358*DA*0129,3 |
05, 580155*20230628\TRN*1*342136940*1351840597U\N1*PR*CMMI-BF-QPP\N1*PE*MENDOCINO CO,4 |
05, AST HEALTH CARE\ENT*1*2L*FI*952627981\RMR*11*CMS-CMMIãBFãQPPãQPINGENTã1124220249,5 |
05, **3769.27\RMR*11*COLLECTIONã800-304-3107**1453.94\SE*9*000000001\GE*1*0\IEA*1*00,6 |
05, 0000001,7 |
The originating bank may be contacted for additional information.

The expanded notation notes two amounts, \$3769.27 noted "CMS" and \$1453.94 noted "collection" with a phone number, 800-304-3107. The difference between the two is the actual deposit. The larger number, I think (?), represented an AR payment from CMS. The smaller number a collection offset.

The phone number is answered by an automated system at the U.S. Treasury, called the Treasury Program Offset Center. After several attempts at their system, I was prompted to enter the District's FEIN, which resulted in a long recitation of collection offsets, apparently taken from payments to the District. Two offsets on June 27, for \$1201.59 and \$252.35, added together equal the \$1453.94.

My question initially is, what debt is being satisfied by these offsets? My guess is that it is the overpayment of \$120,437 from the Medicare Cost Report Final Settlement for FY2019. Is this correct? Do you have any documents you could share with me that would clarify this?

My second question is that Sara Spring has been talking for a while about some anomalies in the Moss-Adams detail where the District was charged, in payment to AH, more than the amount deposited into a District account, for a number of transactions. Could this be the source of those discrepancies? After deducting the collection offset, the

deposit was less than the full value of the payment from CMS and the offset was added back in, because the collection was to reimburse CMS for the period before affiliation?

If this hypothesis is correct, do you have a spreadsheet of the offsets with the dates, invoice or settlement amounts, and deposit amounts they were collected from? Sara's findings no doubt will come up in the audit and settlement of the AH AR flowing through District accounts. I would like to get ahead of anything that could stall or complicate the process.

Thanks,

--j

PLEASE NOTE NEW MAILING ADDRESS BELOW. THANKS!

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