



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



GAVIN NEWSOM  
GOVERNOR

August 21, 2023

Lee Finney, Board Chair  
Mendocino Coast District Hospital  
700 River Road  
Fort Bragg, CA 95437  
[lfinney@mcdh.org](mailto:lfinney@mcdh.org)

Via Electronic Mail

NOTICE OF MEDI-CAL AUDIT  
MENDOCINO COAST DISTRICT HOSPITAL and  
ADVENTIST HEALTH MENDOCINO COAST  
NATIONAL PROVIDER IDENTIFIER (NPI) 1538113725  
FISCAL PERIOD ENDED JUNE 30, 2020 AND DECEMBER 31, 2020

This letter informs you regarding the commencement of the examination of the Hospital's Medi-Cal Cost Report for the above-referenced fiscal period. The Auditor conducting the examination, will be Liza Bencriscutto.

The Auditor can complete the examination in the shortest period possible if the financial records and other documentation supporting the amounts included in the cost report are available at the time of the entrance conference. These records typically include, but are not necessarily limited to the following:

- Department of Health Care Access and Information (HCAI) Report
- Financial Statements
- General Ledger and Journal
- Cash Receipts and Disbursements Journal with Supporting Documents
- Working Papers and Supporting Documentation Used in the Preparation of the Cost Report, HCAI, and Peer Grouping In -patient Reimbursement Limitation Schedules
- Depreciation Schedules
- Payroll Records
- Census Report
- Billing Records
- Most current Accounts Receivable Aging Report
- Analysis of Medi-Cal Credit Balances
- Copy of Credit Balance Policies and Procedures
- Medi-Cal Discharge Records
- Federal and State Tax Returns

- Facility License
- Medi-Cal Program Remittance Advice Details (RADs)
- Board of Directors' Minutes
- Organization Charts
- Medi-Cal Program Correspondence Files
- Medicare Program Audit Reports
- Other Federal and State Audit Reports
- Cost and Utilization Records for Current Fiscal Period

Under HIPAA Privacy Rule, 45 Code of Federal Regulations 164.512(d)(1), “A covered entity may disclose protected health information to a health oversight agency for oversight activities authorized by law, including audits . . . or other activities necessary for appropriate oversight . . . .”

Section 1936 of the Social Security Act establishes the Medicaid Integrity Program and section 1936(b)(2)(C)(3) specifically requires “Identification of overpayments to individuals or entities receiving Federal funds under this title.” 42 United States Code 1320a-7k requires, providers of Medi-Cal services, to report and return overpayments within 60 days of the overpayment being identified. Therefore, any Medi-Cal overpayment outstanding for more than 60 days will be subject to recovery.

In an effort to avoid duplicate recoveries, when an overpayment is outstanding for more than 60 days, please instruct your billing department not to submit any Claims Inquiry Forms (CIFs) on those overpayments once our audit commences.

Advise your independent accountant, management consultant, or parent company officials of this examination, if appropriate.

We enclosed the Consent for Electronic Service of DHCS Audit Reports for your review and signature. Please sign and return the Consent form to the auditor, giving DHCS consent to electronically serve audit reports, and not via personal service, registered mail, or any other physical delivery service. The Consent is voluntary and exists for the convenience of both parties, and is not required as a condition to participate in the Medi-Cal program.

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Please contact Liza Bencriscutto, Auditor, at (510) 721-0127 or [liza.bencriscutto@dhcs.ca.gov](mailto:liza.bencriscutto@dhcs.ca.gov) if you have any questions.



Jimmy Le  
Audit Manager  
Audits Section—Richmond  
Financial Audits Branch

cc: Judy Houghland, Adventist Health  
[houghlaj@ah.org](mailto:houghlaj@ah.org)

Via Electronic Mail

Derek Petrak, Petrak Associates  
[petrakassociates@aol.com](mailto:petrakassociates@aol.com)

Sarah Spring, Treasurer, Mendocino Coast District Hospital  
[sspring@mcdh.org](mailto:sspring@mcdh.org)