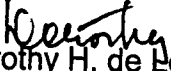


COUNTY OF LOS ANGELES - DEPARTMENT OF PUBLIC HEALTH
SUBSTANCE ABUSE PREVENTION AND CONTROL
PROGRAM COMPLIANCE AND QUALITY ASSURANCE DIVISION

February 24, 2011

TO: Gary Izumi
FROM: 
Dorothy H. de Leon
SUBJECT: PRIDE HEALTH SERVICES BUDGET ADJUSTMENT
PH-000470 EXHIBITS B, D, E, F AND H

This is to advise you that Program Compliance and Quality Assurance staff is not recommending, from a programmatic perspective, approval of the augmentation request referenced above. Specifically, the agency has asked to move allocations amongst exhibits and add additional funding to increase their total Drug Medi-Cal (DMC) allocation from \$865,554 to \$1,082,642.

This denial recommendation is based on an annual audit conducted in February 2011. Contract Program Auditor, Terra Phelps, reported that they are out of compliance with many Title 22 regulations and appear to have developed fraudulent documentation to support their billing claims.

Mr. Phelps' supervisor, Mr. Reuben Romo, has requested that the agency be investigated by the DMC Investigation Unit. Staff will provide an update on the status of the augmentation request when the investigation has concluded.

If you have any questions or need additional information, please contact Michael Kerr at (626) 299-4129.

DHD:mak
11-25325

c: Leo Busa
Tony Hill
Michael Kerr
Andrea Hurtado
Reuben Romo
Terra Phelps