

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**SHIRLEY'S CARE HOME, INC.  
STOCKTON, CALIFORNIA**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

**Audits Section—Sacramento  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Robert G. Kwick  
Audit Supervisor: Blanca Dacanay  
Auditors: Betty Clark, Kenny Mooc, Mandeep Kaur**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 13, 2013

Shirley Gapasin, Administrator  
Shirley's Care Home, Inc.  
9565 Colington Place  
Stockton, CA 95209

SHIRLEY'S CARE HOME, INC.  
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2011. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Comparison of Reported and Audited Home Office Cost represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Comparison of Reported and Audited Home Office Cost and supporting schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Shirley Gapasin  
Page 2

If you have questions regarding this report, you may call the Audits Section—  
Sacramento at (916) 650-6994.

**Original Signed By**

Robert G. Kwick, Chief  
Audits Section—Sacramento  
Financial Audits Branch

Certified

## **TABLE OF CONTENTS**

### **SCHEDULES**

- 1 - COMPARISON OF REPORTED AND AUDITED HOME OFFICE COST**
- 2 - SUMMARY OF DIRECT AND ALLOCATED POOL COST**
- 3 - ALLOCATION OF POOLED EXPENSES**
- 4 - DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS**
- 5 - STATEMENT OF REIMBURSABLE COSTS**

COMPARISON OF REPORTED AND AUDITED  
HOME OFFICE COST

HOME OFFICE:  
SHIRLEY'S CARE HOME, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
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(From Sch 2, Col 6) (Col 5 - Col 4)

1.	SHIRLEY'S ICF DDN #1	1417009507	12/31/2011	\$0	\$1,408	\$1,408
2.	SHIRLEY'S ICF DDH #2	1770760019	12/31/2011	0	1,281	1,281
3.	SHIRLEY'S ICF DDN #3	1326225665	12/31/2011	0	1,445	1,445
4.	SHIRLEY'S ICF DDH #4	1245415272	12/31/2011	0	1,408	1,408
5.	SHIRLEY'S ICF DDN #5	1053563536	12/31/2011	0	1,301	1,301
6.					0	0
7.					0	0
8.					0	0
9.					0	0
10.					0	0
11.					0	0
12.					0	0
13.					0	0
14.					0	0
15.					0	0
16.					0	0
17.					0	0
18.					0	0
19.					0	0
20.					0	0
21.					0	0
22.					0	0
23.					0	0
24.					0	0
25.					0	0

**TOTALS**

				\$0	\$6,843	\$6,843
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## SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:  
SHIRLEY'S CARE HOME, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI 2	FISCAL YEAR END 3	DIRECT EXPENSES 4	POOLED EXPENSES 5	TOTAL DIRECT & POOLED FACILITY EXPENSE 6
			(From Sch 4)	(From Sch 3)	(Col 4 + Col 5)
1. SHIRLEY'S ICF DDN #1	1417009507	12/31/2011	\$0	\$1,408	\$1,408
2. SHIRLEY'S ICF DDH #2	1770760019	12/31/2011	0	1,281	1,281
3. SHIRLEY'S ICF DDN #3	1326225665	12/31/2011	0	1,445	1,445
4. SHIRLEY'S ICF DDH #4	1245415272	12/31/2011	0	1,408	1,408
5. SHIRLEY'S ICF DDN #5	1053563536	12/31/2011	0	1,301	1,301
6.			0	0	0
7.			0	0	0
8.			0	0	0
9.			0	0	0
10.			0	0	0
11.			0	0	0
12.			0	0	0
13.			0	0	0
14.			0	0	0
15.			0	0	0
16.			0	0	0
17.			0	0	0
18.			0	0	0
19.			0	0	0
20.			0	0	0
21.			0	0	0
22.			0	0	0
23.			0	0	0
24.			0	0	0
25.			0	0	0
<b>TOTALS</b>			<b>\$0</b>	<b>\$6,843</b>	<b>\$6,843</b>

(To Sch 1)

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:  
SHIRLEY'S CARE HOME, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY	Allocation Statistics Base: Accumulated Cost 1	Percent 2	Allocation Pool Expenses 3
Program Services (Adj)	\$15,074	100.0000%	\$6,843
Nonprogram Services (Adj)		0.0000%	0
TOTAL	\$15,074	100.0000%	\$6,843

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	PROVIDER NPI	Audit Adjustment	Allocation Statistic: (specify)	Allocated Pool Expense (Col 2 X UCM)
1. SHIRLEY'S ICF DDN #1	1417009507		2,134	\$1,408
2. SHIRLEY'S ICF DDH #2	1770760019		1,942	1,281
3. SHIRLEY'S ICF DDN #3	1326225665		2,190	1,445
4. SHIRLEY'S ICF DDH #4	1245415272		2,134	1,408
5. SHIRLEY'S ICF DDN #5	1053563536		1,971	1,301
6.				0
7.				0
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0

TOTALS

10,371      \$6,843

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	0.659821
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:  
SHIRLEY'S CARE HOME, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			specify expense 3	specify expense 4	specify expense 5	specify expense 6	
			(Adj ) (Adj )	(Adj ) (Adj )	(Adj ) (Adj )	(Adj ) (Adj )	
1. SHIRLEY'S ICF DDN #1	1417009507	\$0	\$0	\$0	\$0	\$0	\$0
2. SHIRLEY'S ICF DDH #2	1770760019	0	0	0	0	0	0
3. SHIRLEY'S ICF DDN #3	1326225665	0	0	0	0	0	0
4. SHIRLEY'S ICF DDH #4	1245415272	0	0	0	0	0	0
5. SHIRLEY'S ICF DDN #5	1053563536	0	0	0	0	0	0
6.		0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
21.		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
<b>TOTALS</b>		\$0	\$0	\$0	\$0	\$0	\$0

(To Sch 2)

## STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:  
SHIRLEY'S CARE HOME, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

ACCOUNT DESCRIPTION 1	REPORTED POOLED COSTS 2	COST AUDIT ADJUSTMENTS 3	POOLED COST SUBTOTAL 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adj ) (Adj 1-5)	(Col 2 + Col 3)	(Adj ) (Adj )	(Col 4 - Col 5)
1. Salaries-Officers			\$0	\$0	\$0
2. Salaries-Other			0		0
3. Payroll Taxes			0		0
4. Employee Benefits			0		0
5. Travel			0		0
6. Entertainment			0		0
7. Automobile			0		0
8. Depreciation-Building	2,264	(2,264)	0		0
9. Depreciation-Equipment			0		0
10. Other Depreciation and Amortization			0		0
11. Leases and Rentals			0		0
12. Interest-Mortgages			0		0
13. Interest-Other			0		0
14. Taxes and Licenses			0		0
15. Legal and Accounting	4,700		4,700		4,700
16. Insurance	997	(944)	53		53
17. Telephone	1,388		1,388		1,388
18. Utilities	5,086	(4,923)	163		163
19. Office Supplies	639	(100)	539		539
20. Nonprogram			0		0
21. Other (Specify)			0		0
22. Advertising			0		0
23. Client Clothing/Personal			0		0
24. Dietian			0		0
25. Dues & Subscriptions			0		0
26. Groceries			0		0
27. Client Medical			0		0
28. Recreational Therapist			0		0
29. Repairs and Maintenance -Homes			0		0
30. Supplies			0		0
31. Furniture			0		0
32. Fingerprinting			0		0
33. Staff Training			0		0
34. Real Property Tax			0		0
35. Quality Assurance Fees			0		0
36. Psychiatrist			0		0
<b>TOTAL EXPENSES</b>	<b>\$15,074</b>	<b>(\$8,231)</b>	<b>\$6,843</b>	<b>\$0</b>	<b>\$6,843</b>
				(To Sch 4)	(To Sch 3)

Provider Name							Fiscal Period	Provider NPI		Adjustments
SHIRLEY'S CARE HOME, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	N/A		5
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3099 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<b><u>ADJUSTMENTS TO REPORTED POOLED COSTS</u></b>										
1	Sch 2	8	6	5	8	6	Depreciation - Building To eliminate building depreciation expense due to insufficie documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$2,264	(\$2,264)	\$0
2	Sch 2	16	6	5	16	6	Insurance To eliminate a portion of the property insurance expense to account for unutilized vacant space not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$997	(\$944)	\$53
3	Sch 2	18	6	5	18	6	Utilities  To eliminate cable television expense not related to patient care. 42 CFR 413.9(c)(3), 413.24, and 413.50 CMS Pub. 15-1, Sections 2102.3, 2106.1, and 2304	\$5,086	(\$1,998)	
4							To eliminate a portion of the utilities expense to account for unutilized vacant space not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105		(2,925) (\$4,923)	\$163
5	Sch 2	19	6	5	19	6	Office Supplies To eliminate advertising expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3, 2136, and 2136.2	\$639	(\$100)	\$539