

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**TUPAZ HOMES, INC.  
SAN JOSE, CALIFORNIA**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

**Audits Section - Richmond  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Louise Wong  
Audit Supervisor: Matthew Moy  
Auditor: Jun Yan**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

January 24, 2013

Rosario Tupaz  
Owner / Administrator  
Tupaz Homes, INC.  
1305 J N. Bascom  
San Jose, CA 95128

TUPAZ HOMES, 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 Summary of Audited Home Office Costs to Health Facilities 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. Summary of Audited Home Office Costs to Health Care Facilities
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.

Rosario Tupaz  
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If you have further questions regarding this report, you may call the Audits Section-Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section-Richmond  
Financial Audits Branch

Certified

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**COMPARISON OF REPORTED AND AUDITED  
HOME OFFICE COST**

HOME OFFICE:  
TUPAZ HOMES, LLC

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	NPI NUMBER 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
(From Sch 2, Col 6) (Col 5 - Col 4)					
1. Tupaz Home 1	1407067937	12/31/2011	\$43,940	\$39,397	(\$4,543)
2. Tupaz Home 2	1114138476	12/31/2011	38,563	34,576	(3,987)
3. Tupaz Home 3	1922219476	12/31/2011	43,940	39,397	(4,543)
4. Tupaz Home 4	1083825514	12/31/2011	43,880	39,343	(4,537)
5. Tupaz Home 5	1962613422	12/31/2011	43,780	39,253	(4,527)
6. Tupaz Home 6	1750592119	12/31/2011	39,847	35,727	(4,120)
7. Tupaz Home 7	1841401213	12/31/2011	43,740	39,217	(4,523)
8. Tupaz Home 8	1922219302	12/31/2011	33,848	30,348	(3,500)
9. Tupaz Home 9	1003027491	12/31/2011	43,940	39,397	(4,543)
10. Tupaz Home 10	1518178904	12/31/2011	35,112	31,481	(3,631)
11. Tupaz Home 11	1568673960	12/31/2011	43,940	39,397	(4,543)
12. Tupaz Home 12	1992916399	12/31/2011	42,576	38,173	(4,403)
13. Tupaz Home 14	1912163031	12/31/2011	43,780	39,253	(4,527)
<b>TOTALS</b>			\$540,886	\$484,958	(\$55,927)

SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:  
TUPAZ HOMES, LLC

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

CHAIN COMPONENTS 1	NPI NUMBER 2	FISCAL YEAR END 3	DIRECT EXPENSES 4	POOLED EXPENSES 5	TOTAL DIRECT & POOLED FACILITY EXPENSE 6
				(From Sch 3)	(Col 4 + Col 5)
1. Tupaz Home 1	1407067937	12/31/2011	\$0	\$39,397	\$39,397
2. Tupaz Home 2	1114138476	12/31/2011	0	34,576	34,576
3. Tupaz Home 3	1922219476	12/31/2011	0	39,397	39,397
4. Tupaz Home 4	1083825514	12/31/2011	0	39,343	39,343
5. Tupaz Home 5	1962613422	12/31/2011	0	39,253	39,253
6. Tupaz Home 6	1750592119	12/31/2011	0	35,727	35,727
7. Tupaz Home 7	1841401213	12/31/2011	0	39,217	39,217
8. Tupaz Home 8	1922219302	12/31/2011	0	30,348	30,348
9. Tupaz Home 9	1003027491	12/31/2011	0	39,397	39,397
10. Tupaz Home 10	1518178904	12/31/2011	0	31,481	31,481
11. Tupaz Home 11	1568673960	12/31/2011	0	39,397	39,397
12. Tupaz Home 12	1992916399	12/31/2011	0	38,173	38,173
13. Tupaz Home 14	1912163031	12/31/2011	0	39,253	39,253
<b>TOTALS</b>			\$0	\$484,958	\$484,958
					(To Sch 1)

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:  
TUPAZ HOMES, LLC

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY 1	Allocation Statistics Base: Accumulated Cost 2	Percent 3	Allocation Pool Expenses 4
Program Services	\$0	100.0000%	\$484,958
Nonprogram Services	0	0.0000%	0
TOTAL	\$0	100.0000%	\$484,958

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	MEDI-CAL NUMBER	Audit Adjustment	Allocation Statistic: (Client Days)	Allocated Pool Expense (Col 3 X UCM)
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1. Tupaz Home 1	1407067937		2,190	\$39,397
2. Tupaz Home 2	1114138476		1,922	34,576
3. Tupaz Home 3	1922219476		2,190	39,397
4. Tupaz Home 4	1083825514		2,187	39,343
5. Tupaz Home 5	1962613422		2,182	39,253
6. Tupaz Home 6	1750592119		1,986	35,727
7. Tupaz Home 7	1841401213		2,180	39,217
8. Tupaz Home 8	1922219302		1,687	30,348
9. Tupaz Home 9	1003027491		2,190	39,397
10. Tupaz Home 10	1518178904		1,750	31,481
11. Tupaz Home 11	1568673960		2,190	39,397
12. Tupaz Home 12	1992916399		2,122	38,173
13. Tupaz Home 14	1912163031		2,182	39,253

TOTALS

26,958	\$484,958
(To Sch 2)	

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	17.989391
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## STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:  
TUPAZ HOMES, LLCFISCAL 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
	(Adjs 1 thru 6)		(Col 2 + Col 3)		(Col 4 - Col 5)
1. Salaries-Officers	\$25,967	(\$25,967)	\$0		\$0
2. Salaries-Other	212,511	0	212,511		212,511
3. Payroll Taxes	20,714	0	20,714		20,714
4. Employee Benefits	10,497	0	10,497		10,497
5. Travel	1,750	(1,750)	0		0
6. Entertainment			0		0
7. Automobile	17,110	(4,878)	12,232		12,232
8. Depreciation-Building			0		0
9. Depreciation-Equipment	2,163	0	2,163		2,163
10. Other Depreciation and Amortization	2,372	0	2,372		2,372
11. Leases and Rentals			0		0
12. Interest-Mortgages			0		0
13. Interest-Other	2,093	0	2,093		2,093
14. Taxes and Licenses			0		0
15. Legal and Accounting	64,643	(22,750)	41,893		41,893
16. Insurance	115,101	0	115,101		115,101
17. Utilities	7,154	(1,768)	5,386		5,386
18. Telephone	0	1,768	1,768		1,768
19. Office Supplies	10,631	0	10,631		10,631
20. Non-Program			0		0
21. Other-			0		0
22. Bank Charges	29,068	0	29,068		29,068
23. Other Consultant			0		0
24. Continuing Education	1,450	0	1,450		1,450
25. Dues and Subscriptions	3,270	0	3,270		3,270
26. Miscellaneous	1,327	(584)	743		743
27.			0		0
28. Non-Deductible Expenses			0		0
29. Repairs and Maintenance	2,162	0	2,162		2,162
30. Employee Morale Expenses	10,904	0	10,904		10,904
<b>TOTAL EXPENSES</b>	<b>\$540,887</b>	<b>(\$55,929)</b>	<b>\$484,958</b>	<b>\$0</b>	<b>\$484,958</b>

(To Sch 3)

Provider Name							Fiscal Period			Provider NPI		Adjustments
TUPAZ HOMES, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1962456434		6
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report									
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.						
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>												
1	2	17	6	5	17	3	Utilities		\$7,154		(\$1,768)	\$5,386
	2	18	6	5	18	3	Telephone		0		1,768	1,768
							To reclassify telephone expense to the appropriate cost center for proper cost determination					
							42 CFR 413.20 and 413.24					
							CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8					

Provider Name			Fiscal Period				Provider NPI		Adjustments	
TUPAZ HOMES, INC.			JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1962456434		6	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
2	2	1	6	5	1	3	Salaries - Officers To eliminate owner's compensation due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$25,967	(\$25,967)	\$0
3	2	5	6	5	5	3	Travel To eliminate travel expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$1,750	(\$1,750)	\$0
4	2	7	6	5	7	3	Automobile To eliminate luxury car repair and maintenance expense as expense is deemed not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2104.3	\$17,110	(\$4,878)	\$12,232
5	2	15	6	5	15	3	Legal and Accounting To eliminate legal fee not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	\$64,643	(\$22,750)	\$41,893
6	2	26	6	5	26	3	Miscellaneous To eliminate penalty not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	\$1,327	(\$584)	\$743