

**REPORT
ON THE
RATE SETTING AUDIT**

**ST. DENIS HOME
SAN RAMON, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1194993568**

**FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Louise Wong
Audit Supervisor: Matthew Moy
Auditor: Mandy Wu**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

January 25, 2013

Bernie Ancheta, Owner
St. Denis Home
2939 St. Denis Drive
San Ramon, CA 94583

ST. DENIS HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1194993568
FISCAL PERIOD ENDED JUNE 30, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. 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 accompanying audit report schedules represent a proper determination of the allowable costs and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles. The results of our examination are as follows:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	291,301	\$ 151.33
Net Audit Adjustment		(26,630)	(13.84)
Audited Cost/Cost Per Day	\$	<u>264,671</u>	\$ <u>137.49</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule

Future Medi-Cal long-term care prospective rates may be affected by this examination. The extent to which the rates change will be determined by the Department's Fee-For-Service Rates Development Division.

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

If you disagree with the decision of the Department, you may appeal by writing to:

John Melton, Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

United States Postal Service (USPS)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
PO Box 997413
Sacramento, CA 95899

Courier (UPS, FedEx, etc.)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

Bernie Ancheta
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If you have 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

**SUMMARY OF AUDITED FACILITY CENSUS
AND AUDITED CLIENT COST PER DAY**

Provider:
ST. DENIS HOME

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1194993568

**SUMMARY OF AUDITED FACILITY CENSUS
AND AUDITED CLIENT COST PER DAY**

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,925	1,925
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>1,925</u>	<u>1,925</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>291,301</u>	\$ <u>264,671</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>151.33</u>	\$ <u>137.49</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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OVERPAYMENTS

1. Duplicate Payments (Adj)	\$ <u> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ST. DENIS HOME

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1194993568

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 9,527	\$ 0	\$ 9,527
050	Leases and Rentals				0
055	Real Property Taxes		6,571	0	6,571
060	Personal Property Taxes				0
065	Mortgage Interest	1	26,783	(7,254)	19,529
070	Property Insurance	2	1,100	(197)	903
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 43,981	\$ (7,451)	\$ 36,530
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,223	\$ 0	\$ 8,223
085	Utilities		10,253	0	10,253
090	Client Transportation (excluding Adult Day Services)	3	20,246	(1,000)	19,246
095	Dietary	4	41,867	(5,613)	36,254
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 80,589	\$ (6,613)	\$ 73,976
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 124,570	\$ (14,064)	\$ 110,506
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		36,000	0	36,000
130	Lead Fringe Benefits		4,698	0	4,698
135	Aides Salaries		63,475	0	63,475
140	Aides Fringe Benefits		8,283	0	8,283
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 112,456	\$ 0	\$ 112,456

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ST. DENIS HOME

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1194993568

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 764	\$ 0	\$ 764
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		350	0	350
180	Pharmacist Consultant				0
185	Nurse Consultant		12,250	0	12,250
190	Psychologist Consultant		800	0	800
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,164	\$ 0	\$ 14,164
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)				0
230	Other General and Administrative*** (Excluding Adult Day Services)	5 - 8	40,111	(12,566)	27,545
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 40,111	\$ (12,566)	\$ 27,545
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 291,301	\$ (26,630)	\$ 264,671
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 291,301	\$ (26,630)	\$ 264,671

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** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
ST. DENIS HOME							JULY 1, 2010 THROUGH JUNE 30, 2011	1194993568		8
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.				
ADJUSTMENTS TO REPORTED COSTS										
1	4	065	4	2	065	3	Mortgage Interest To adjust reported mortgage interest expense to agree with the provider's bank statement 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$26,783	(\$7,254)	\$19,529
2	4	070	4	2	070	3	Property Insurance To adjust reported property tax expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,100	(\$197)	\$903
3	4	090	4	2	090	3	Client Transportation To eliminate vehicle repair expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$20,246	(\$1,000)	\$19,246
4	4	095	4	2	095	3	Dietary To eliminate petty cash withdrawal related to dietary expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$41,867	(\$5,613)	\$36,254
5	4.1	230	4	2	230	3	Other General and Administrative To eliminate a refund issued to a client's mother as this should be offset against revenue not expense. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$40,111	(\$1,800)	\$38,311 *
6	4.1	230	4	2	230	3	Other General and Administrative To eliminate cruise ticket expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	* \$38,311	(\$1,491)	\$36,820 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments	
ST. DENIS HOME				JULY 1, 2010 THROUGH JUNE 30, 2011				1194993568		8	
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.					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
7	4.1	230	4	2	230	3	Other General and Administrative To eliminate contribution / donation costs not related to patient care. 42 CFR 413.5(c)(7) and 413.9 CMS Pub. 15-1, Sections 608, 610, and 2102.3	*	\$36,820	(\$775)	\$36,045 *
8	4.1	230	4	2	230	3	Other General and Administrative To adjust home office costs to agree with the filed Home Office Cost Report for fiscal period ended June 30, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	*	\$36,045	(\$8,500)	\$27,545

*Balance carried forward from prior/to subsequent adjustments