

**REPORT
ON THE
RATE SETTING AUDIT
VALVERDE
RESEDA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1659499945
FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Avina
Auditor: Tony Bhadury**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

September 7, 2012

Sonhui Robilotta, CPA
Vice President of Finance
Exceptional Children's Foundation
8740 West Washington Boulevard
Culver City, CA 90232

PROVIDER: VALVERDE
PROVIDER NPI: 1659499945
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	\$	602,632	\$ 141.50
Net Audit Adjustment		<u>0.00</u>	<u>(2.45)</u>
Audited Cost/Cost Per Day	\$	<u>602,632</u>	\$ <u>139.05</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 Rate Development Branch.

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:

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.

If you have questions regarding this report, you may call the Audits Section—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
VALVERDE

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

Provider NPI:
1659499945

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 1)	4,259	4,334
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>4,259</u>	<u>4,334</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>602,632</u>	\$ <u>602,632</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>141.50</u>	\$ <u>139.05</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>0</u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

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

Provider NPI:
1659499945

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		\$ 1,669	\$	\$ 1,669
050	Leases and Rentals		0		0
055	Real Property Taxes		109		109
060	Personal Property Taxes		688		688
065	Mortgage Interest		1,118		1,118
070	Property Insurance		458		458
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 4,042	\$ 0	\$ 4,042
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 7,565	\$	\$ 7,565
085	Utilities		671		671
090	Client Transportation (excluding Adult Day Services)		20,633		20,633
095	Dietary		38,626		38,626
100	Personal Care and Laundry		576		576
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 68,071	\$ 0	\$ 68,071
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 72,113	\$ 0	\$ 72,113
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 27,023	\$	\$ 27,023
120	QMRP Fringe Benefits		6,499		6,499
125	Lead Salaries		16,947		16,947
130	Lead Fringe Benefits		3,799		3,799
135	Aides Salaries		246,104		246,104
140	Aides Fringe Benefits		53,340		53,340
145	Other Salaries		11,622		11,622
150	Other Fringe Benefits		3,423		3,423
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 368,757	\$ 0	\$ 368,757

SUMMARY OF AUDITED FACILITY EXPENSES

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

Provider NPI:
1659499945

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 4,380	\$	\$ 4,380
165	Speech Pathology Consultant		3,406		3,406
170	Physical Therapy Consultant		1,410		1,410
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant		29,575		29,575
190	Psychologist Consultant		0		0
195	Physician Consultant		4,700		4,700
200	Recreational Consultant		1,980		1,980
205	Social Service Consultant		0		0
210	Other Consultant		17,896		17,896
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 63,347	\$ 0	\$ 63,347
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 31,955	\$	\$ 31,955
225	Administrative Fringe Benefits		4,988		4,988
226	Quality Assurance Fees (excluding Adult Day Services)		27,382		27,382
230	Other General and Administrative*** (Excluding Adult Day Services)		34,090		34,090
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 98,415	\$ 0	\$ 98,415
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 602,632	\$ 0	\$ 602,632
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 602,632	\$ 0	\$ 602,632

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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		Adjustment		
VALVERDE		JULY 1, 2010 THROUGH JUNE 30, 2011		165949945		1		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Line	Col			
1	2	3	1	1	1	4,259	75	4,334
<p>Medi-Cal Client Days</p> <p>To adjust Medi-Cal client days to agree with the provider's monthly census reports.</p> <p>42 CFR 413.20 and 413.50</p> <p>CMS Pub. 15-1, Sections 2205 and 2304</p> <p><u>ADJUSTMENT TO REPORTED PATIENT DAYS</u></p>								