

**REPORT  
ON THE  
RATE SETTING AUDIT**

**COOPER HOUSE  
SANTA ROSA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1902839962**

**FISCAL PERIOD ENDED  
JULY 31, 2011**

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

**Section Chief: Louise Wong  
Audit Supervisor: Ken Phelan  
Auditor: Bob Dailey**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 25, 2013

Denise Keeley  
President/Chief Executive Officer  
DuMolin Service Corporation  
1455 North Dutton Avenue, Suite B  
Santa Rosa, CA 95401

COOPER HOUSE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1902839962  
FISCAL PERIOD ENDED JULY 31, 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	\$	368,418	\$ 170.01
Net Audit Adjustment		<u>3,393</u>	<u>1.57</u>
Audited Cost/Cost Per Day	\$	<u>371,811</u>	\$ <u>171.58</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.

Denise Keeley  
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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.

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:**  
COOPER HOUSE

**Fiscal Period:**  
AUGUST 1, 2010 THROUGH JULY 31, 2011

**Provider NPI:**  
1902839962

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	0	0
2. Medi-Cal Managed Care Days (Adj )	2,167	2,167
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,167</u>	<u>2,167</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>368,418</u>	\$ <u>371,811</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>170.01</u>	\$ <u>171.58</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:  
COOPER HOUSE

Fiscal Period:  
AUGUST 1, 2010 THROUGH JULY 31, 2011

Provider NPI:  
1902839962

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	1	\$ 2,783	\$ (1,153)	\$ 1,630
050	Leases and Rentals	2	15,324	(15,324)	0
055	Real Property Taxes		3,733	0	3,733
060	Personal Property Taxes		0		0
065	Mortgage Interest	2	0	13,929	13,929
070	Property Insurance		2,636	0	2,636
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)	*	\$ 25,024	\$ (2,548)	\$ 21,928
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 10,372	\$ 0	\$ 10,372
085	Utilities	3	11,552	(120)	11,432
090	Client Transportation (excluding Adult Day Services)	1	4,997	1,153	6,150
095	Dietary		14,048	0	14,048
100	Personal Care and Laundry	4	1,600	(494)	1,106
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,569	\$ 539	\$ 43,108
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)	*	\$ 67,593	\$ (2,009)	\$ 65,036
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 14,167	\$ 0	\$ 14,167
120	QMRP Fringe Benefits		6,702	0	6,702
125	Lead Salaries		10,899	0	10,899
130	Lead Fringe Benefits		4,201	0	4,201
135	Aides Salaries		128,962	0	128,962
140	Aides Fringe Benefits		29,481	0	29,481
145	Other Salaries		5,626	0	5,626
150	Other Fringe Benefits		2,455	0	2,455
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 202,493	\$ 0	\$ 202,493

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
COOPER HOUSE

Fiscal Period:  
AUGUST 1, 2010 THROUGH JULY 31, 2011

Provider NPI:  
1902839962

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,583	\$ 0	\$ 1,583
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		280	0	280
185	Nurse Consultant		17,051	0	17,051
190	Psychologist Consultant		225	0	225
195	Physician Consultant		900	0	900
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant	5	0	5,950	5,950
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 20,039	\$ 5,950	\$ 25,989
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 14,088	\$ 0	\$ 14,088
225	Administrative Fringe Benefits		1,203	0	1,203
226	Quality Assurance Fees (excluding Adult Day Services)		22,130	0	22,130
230	Other General and Administrative*** (Excluding Adult Day Services)		40,872	0	40,872
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 78,293	\$ 0	\$ 78,293
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		* \$ 368,418	\$ 3,941	\$ 371,811
			(To Sch. 1)		(To Sch. 1)
	<b>NON-CLIENT CARE EXPENSES</b>				
240	Non-Program Services		\$ 0	\$ 0	\$ 0
241	Adult Day Services and Related Transportation		84,343	0	84,343
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		* \$ 452,761	\$ 3,941	\$ 456,154

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- \* Provider computational error
- \*\* List only direct administrative salaries incurred at the facility level
- \*\*\* List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
COOPER HOUSE							AUGUST 1, 2010 THROUGH JULY 31, 2011	1902839962		5
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>RECLASSIFICATION OF REPORTED COSTS</u>										
1	4	045	4	2	045	3	Depreciation and Amortization	\$2,783	(\$1,153)	\$1,630
	4	090	4	2	090	3	Client Transportation	4,997	1,153	6,150
							To reclassify van depreciation to the appropriate cost center for proper cost determination.			
							42 CFR 413.20, 413.24, and 413.50			
							CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2306			

Provider Name							Fiscal Period		Provider NPI		Adjustments
COOPER HOUSE							AUGUST 1, 2010 THROUGH JULY 31, 2011		1902839962		5
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	4	050	4	2	050	3	Leases and Rentals	\$15,324	(\$15,324)	\$0	
	4	065	4	2	065	3	Mortgage Interest To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.153, 413.20, and 413.24 CMS Pub. 15-1, Sections 104.10, 202.1, 204,1005, 1011, 2300, and 2304	0	13,929	13,929	
3	4	085	4	2	085	3	Utilities To adjust utilities expense to accrual basis. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306	\$11,552	(\$120)	\$11,432	
4	4	100	4	2	100	3	Personal Care and Laundry To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,600	(\$494)	\$1,106	
5	4.1	210	4	2	210	3	Other Consultant To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$0	\$5,950	\$5,950	