

**REPORT
ON THE
RATE SETTING AUDIT**

**LOYOLA HOME ICF/DDH
HAYWARD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1235348483**

**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: Jesse Duran
Auditor: Jimmy Le**



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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Redencion Lelchuk, Administrator
Loyola Home ICF/DDH
27680 Loyola Avenue
Hayward, CA 94545

LOYOLA HOME ICF/DDH
NATIONAL PROVIDER IDENTIFIER (NPI) 1235348483
FISCAL PERIOD ENDED DECEMBER 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	\$	361,443	\$	168.90
Net Audit Adjustment		<u>(50)</u>		<u>(3.58)</u>
Audited Cost/Cost Per Day	\$	<u>361,393</u>	\$	<u>165.32</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$610, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statements of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statements of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statements of Account Status.

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.

Redencion Lelchuk
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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:
LOYOLA HOME ICF/DDH

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1235348483

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 4)	2,140	2,186
2. Medi-Cal Managed Care Days		0
3. Other Client Days		0
4. Total Client Days	<u>2,140</u>	<u>2,186</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>361,443</u>	\$ <u>361,393</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>168.90</u>	\$ <u>165.32</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment	\$ <u>NA</u>	\$ <u>0</u>
OVERPAYMENTS		
1. Medi-Cal Overpayments (Adj 5)	\$ _____	\$ 610
2. Credit Balances	\$ _____	\$ 0
3. Total Overpayments	\$ <u>0</u>	\$ <u>610</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOYOLA HOME ICF/DDH

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1235348483

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		\$	\$	\$ 0
050	Leases and Rentals	1	25,318	(25,318)	0
055	Real Property Taxes		2,975		2,975
060	Personal Property Taxes				0
065	Mortgage Interest	1		25,318	25,318
070	Property Insurance		766		766
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 29,059	\$ 0	\$ 29,059
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,607	\$	\$ 8,607
085	Utilities		7,971		7,971
090	Client Transportation (excluding Adult Day Services)		13		13
095	Dietary		10,814		10,814
100	Personal Care and Laundry		5,548		5,548
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,953	\$ 0	\$ 32,953
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 62,012	\$ 0	\$ 62,012
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 16,066	\$	\$ 16,066
120	QMRP Fringe Benefits	3	1,879	(27)	1,852
125	Lead Salaries		21,672		21,672
130	Lead Fringe Benefits	3	2,973	(77)	2,896
135	Aides Salaries		89,151		89,151
140	Aides Fringe Benefits	3	15,671	(546)	15,125
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 147,412	\$ (650)	\$ 146,762

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOYOLA HOME ICF/DDH

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1235348483

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 921	\$	\$ 921
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		634		634
185	Nurse Consultant		14,947		14,947
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		150		150
205	Social Service Consultant				0
210	Other Consultant	2	6,600	600	7,200
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 23,252	\$ 600	\$ 23,852
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 825	\$	\$ 825
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		12,315		12,315
230	Other General and Administrative*** (excluding Adult Day Services)		115,627		115,627
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 128,767	\$ 0	\$ 128,767
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 361,443	\$ (50)	\$ 361,393
	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)		\$ 361,443	\$ (50)	\$ 361,393

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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
LOYOLA HOME ICF/DDH							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1235348483		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	050	4	2	050	3	Leases and Rentals	\$25,318	(\$25,318)	\$0		
	4	065	4	2	065	3	Mortgage Interest	0	25,318	25,318		
							To reclassify mortgage interest expense to agree with the provider's records.					
							42 CFR 413.20 and 413.24					
							CMS Pub. 15-1, Sections 2300 and 2304					

Provider Name							Fiscal Period	Provider NPI		Adjustments
LOYOLA HOME ICF/DDH							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1235348483		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.				
ADJUSTMENTS TO REPORTED COSTS										
2	4.1	210	4	2	210	3	Other Consultant To adjust other consultant expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$6,600	\$600	\$7,200
3	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$1,879	(\$27)	\$1,852
	4.1	130	4	2	130	3	Lead Fringe Benefits	2,973	(77)	2,896
	4.1	140	4	2	140	3	Aides Fringe Benefits To adjust direct care staff benefit expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	15,671	(546)	15,125

Provider Name							Fiscal Period			Provider NPI		Adjustments
LOYOLA HOME ICF/DDH							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1235348483		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>ADJUSTMENT TO REPORTED PATIENT DAYS</u>												
4	2	3	3	1	1	N/A	Medi-Cal Days			2,140	46	2,186
							To adjust reported Medi-Cal client days based on the following Fiscal Intermediary Payment Data:					
							Service Period: January 1, 2011 through December 31, 2011					
							Payment Period: January 1, 2011 through March 15, 2013					
							Report Date: May 3, 2013					
							42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139					
							CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408					
							CCR, Title 22, Section 51541					

Provider Name							Fiscal Period			Provider NPI		Adjustments
LOYOLA HOME ICF/DDH							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1235348483		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>ADJUSTMENT TO OTHER MATTERS</u>												
5	N/A			1	1	2	Medi-Cal Overpayments To recover Medi-Cal overpayments because the Share of Co was not properly deducted from the amount billed 42 CFR 413.5 and 413.2C CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1			\$0	\$610	\$610