

**REPORT
ON THE
RATE SETTING AUDIT**

**GENEVIE DREAM HOME, INC.
SONOMA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1245443910**

**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: Ken Phelan
Auditor: Joy Maramag**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Rey Ramirez, President
Genevie Dream Home, Inc.
17355 Buena Vista Avenue
Sonoma, CA 95475

GENEVIE DREAM HOME, INC.
NATIONAL PROVIDER IDENTIFIER (NPI) 1245443910
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	\$	354,369	\$ 161.81
Net Audit Adjustment		<u>(56,808)</u>	<u>(25.94)</u>
Audited Cost/Cost Per Day	\$	<u>297,561</u>	\$ <u>135.87</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.

Rey Ramirez
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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:
GENEVIE DREAM HOME, INC.

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

Provider NPI:
1245443910

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 8)	2,190	0
2. Medi-Cal Managed Care Days (Adj 8)	0	2,190
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>354,369</u>	\$ <u>297,561</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>161.81</u>	\$ <u>135.87</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:
GENEVIE DREAM HOME, INC.

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

Provider NPI:
1245443910

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, 2	\$ 37,681	\$ (31,499)	\$ 6,182
050	Leases and Rentals	3	60,000	(60,000)	0
055	Real Property Taxes	2	0	6,873	6,873
060	Personal Property Taxes		0	0	0
065	Mortgage Interest	2	0	38,119	38,119
070	Property Insurance	2	0	2,136	2,136
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 97,681	\$ (44,371)	\$ 53,310
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4, 5	\$ 23,620	\$ (2,947)	\$ 20,673
085	Utilities		8,175	0	8,175
090	Client Transportation (excluding Adult Day Services)	5	16,669	(4,500)	12,169
095	Dietary		13,260	0	13,260
100	Personal Care and Laundry		0	0	0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 61,724	\$ (7,447)	\$ 54,277
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 159,405	\$ (51,818)	\$ 107,587
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 0	\$ 0	\$ 0
120	QMRP Fringe Benefits		0	0	0
125	Lead Salaries		0	0	0
130	Lead Fringe Benefits		0	0	0
135	Aides Salaries		87,325	0	87,325
140	Aides Fringe Benefits		9,674	0	9,674
145	Other Salaries		0	0	0
150	Other Fringe Benefits		5,893	0	5,893
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 102,892	\$ 0	\$ 102,892

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GENEVIE DREAM HOME, INC.

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

Provider NPI:
1245443910

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 720	\$ 0	\$ 720
165	Speech Pathology Consultant		777	0	777
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		0	0	0
180	Pharmacist Consultant		0	0	0
185	Nurse Consultant		10,000	0	10,000
190	Psychologist Consultant		13,860	0	13,860
195	Physician Consultant		4,200	0	4,200
200	Recreational Consultant		640	0	640
205	Social Service Consultant		0	0	0
210	Other Consultant		175	0	175
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 30,372	\$ 0	\$ 30,372
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 12,000	\$ 0	\$ 12,000
225	Administrative Fringe Benefits		1,324	0	1,324
226	Quality Assurance Fees (excluding Adult Day Services)		20,232	0	20,232
230	Other General and Administrative*** (Excluding Adult Day Services)	5, 6, 7	28,144	(4,990)	23,154
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 61,700	\$ (4,990)	\$ 56,710
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 354,369	\$ (56,808)	\$ 297,561
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$ 0	\$ 0
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 354,369	\$ (56,808)	\$ 297,561

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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		
GENEVIE DREAM HOME, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245443910	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	045	4	2	045	3	Depreciation and Amortization To adjust reported depreciation expense to reflect the time the buildir improvements was placed in service 42 CFR 413.20, 413.24, 413.50, and 413.134 CMS Pub. 15-1, Sections 102, 104, 108, 114, 2300, 2302, and 2304	\$37,681	(\$37,270)	\$411 *	
2	4	045	4	2	045	3	Depreciation and Amortization	*	\$411	\$5,771	\$6,182
	4	055	4	2	055	3	Real Property Taxes	0	6,873	6,873	
	4	065	4	2	065	3	Mortgage Interest	0	38,119	38,119	
	4	070	4	2	070	3	Property Insurance To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20, and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	0	2,136	2,136	
3	4	050	4	2	050	3	Leases and Rentals To eliminate leases and rentals expenses paid to a related party. 42 CFR 413.17, 413.134(h), 413.20, and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	\$60,000	(\$60,000)	\$0	
4	4	080	4	2	080	3	Home Operations and Maintenance To eliminate luxury expenses not related to patient care. 42 CFR 413.5, 413.9(c)(3), 412, 20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2103, 2104, 2105, and 2304	\$23,620	(\$570)	\$23,050 *	
5	4	080	4	2	080	3	Home Operations and Maintenance	*	\$23,050	(\$2,377)	\$20,673
	4	090	4	2	090	3	Client Transportation	16,669	(4,500)	12,169	
	4.1	230	4	2	230	3	Other General and Administrative To reconcile the reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	28,144	(832)	27,312 *	

Provider Name							Fiscal Period	Provider NPI		Adjustments	
GENEVIE DREAM HOME, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245443910		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>											
6	4.1	230	4	2	230	3	Other General and Administrative To eliminate bank charges not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2122.1	*	\$27,312	(\$811)	\$26,501 *
7	4.1	230	4	2	230	3	Other General and Administrative To eliminate state and/or federal income taxes. 42 CFR 413.9, 413.20, and 413.24 CMS Pub. 15-1, Sections 2122.2A, 2122.2B, 2300, and 2304	*	\$26,501	(\$3,347)	\$23,154

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
GENEVIE DREAM HOME, INC.				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1245443910		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>ADJUSTMENT TO REPORTED PATIENT DAYS</u>										
8	2	3	1	1	1	2	Medi-Cal Client Days	2,190	(2,190)	0
	2	3	2	1	2	2	Medi-Cal Managed Care Days	0	2,190	2,190
							To reclassify Medi-Cal Managed Care days for proper classification of days. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304			