

**REPORT
ON THE
RATE SETTING AUDIT**

**RUUS HOME ICF/DD-H
HAYWARD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1326257577**

**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: David Mui
Auditor: Ken Cui**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Redencion Lelchuk, Administrator
Ruus Home ICF/DD-H
27489 Portsmouth Ave
Hayward, CA 94545

RUUS HOME ICF/DD-H
NATIONAL PROVIDER IDENTIFIER (NPI) 1326257577
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	\$	288,473	\$ 164.51
Net Audit Adjustment		<u>(52,924)</u>	<u>(29.81)</u>
Audited Cost/Cost Per Day	\$	<u>235,549</u>	\$ <u>134.75</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.

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:
RUUS HOME ICF/DD-H

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

Provider NPI:
1326257577

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 5)	1,753	1,748
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days (Adj 5)	<u>1,753</u>	<u>1,748</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>288,473</u>	\$ <u>235,549</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>164.56</u>	\$ <u>134.75</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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:
RUUS HOME ICF/DD-H

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

Provider NPI:
1326257577

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		24,916		24,916
055	Real Property Taxes		3,885		3,885
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		732		732
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 29,533	\$ 0	\$ 29,533
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,116	\$	\$ 3,116
085	Utilities		4,237		4,237
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		7,270		7,270
100	Personal Care and Laundry		1,842		1,842
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 16,465	\$ 0	\$ 16,465
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 45,998	\$ 0	\$ 45,998
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 13,388	\$	\$ 13,388
120	QMRP Fringe Benefits		1,567		1,567
125	Lead Salaries		22,596		22,596
130	Lead Fringe Benefits		2,139		2,139
135	Aides Salaries		68,580		68,580
140	Aides Fringe Benefits		9,511		9,511
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 117,781	\$ 0	\$ 117,781

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RUUS HOME ICF/DD-H

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

Provider NPI:
1326257577

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 770	\$	\$ 770
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		455		455
185	Nurse Consultant		12,457		12,457
190	Psychologist Consultant		320		320
195	Physician Consultant				0
200	Recreational Consultant		150		150
205	Social Service Consultant				0
210	Other Consultant		4,400		4,400
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,552	\$ 0	\$ 18,552
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 825	\$	\$ 825
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		7,668		7,668
230	Other General and Administrative*** Adult Day Services	(Excluding 2,3,4	97,649	(52,924)	44,725
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 106,142	\$ (52,924)	\$ 53,218
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 288,473	\$ (52,924)	\$ 235,549
NON-CLIENT CARE EXPENSES			(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation	1		152,306	152,306
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 288,473	\$ 99,382	\$ 387,855

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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
RUUS HOME ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1326257577		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	4.1	025	4	Not Reported			Contractual and Other Deductions			\$152,306	(\$152,306)	\$0
	4.1	241	4	2	241	3	Adult Day Services and Related Transportatio To reclassify adult day services and related transportation expense for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			0	152,306	152,306

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RUUS HOME ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1326257577		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>ADJUSTMENTS TO REPORTED COSTS</u>										
2	4.1	230	4	2	230	3	Other General and Administrative To eliminate owner's draw from allowable costs. 42 CFR 413.9 and 413.20 CMS Pub. 15-1, Sections 2122.2A and 2122.2B	\$97,649	(\$30,294)	\$67,355 *
3	4.1	230	4	2	230	3	Other General and Administrative To adjust owner compensation based on the federal guidelines. 42 CFR 413.102 CMS Pub. 15-1, Sections 901, 902.3, 904, and 1005	* \$67,355	(\$22,124)	\$45,231 *
4	4.1	230	4	2	230	3	Other General and Administrative To eliminate personal income tax filing fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Section 2102.3	* \$45,231	(\$506)	\$44,725

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
RUUS HOME ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1326257577		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	1	1	1	N/A	Medi-Cal Client Days	1,753	(5)	1,748	
	2	3	4	1	4	N/A	Total Client Days	1,753	(5)	1,748	
							To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through February 22, 2013 Report Date: February 25, 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				