

**REPORT
ON THE
RATE SETTING AUDIT**

**MISSION HOPE ICF/DD-H
HAYWARD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1386780286**

**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: John Uribe**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

November 15, 2012

Nimfa Coleman
Mission Hope ICF/DD-H
1159 Citron Way
Hayward, CA 94545

MISSION HOPE ICF/DD-H
NATIONAL PROVIDER IDENTIFIER (NPI) 1386780286
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's financial records and 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	\$	358,260	\$ 189.36
Net Audit Adjustment		(19,719)	(10.43)
Audited Cost/Cost Per Day	\$	<u>338,541</u>	\$ <u>178.93</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 \$3,675, 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.

Nimfa Coleman
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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:
MISSION HOPE ICF/DD-H

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

Provider NPI:
1386780286

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adjs 3, 4)	1,892	1,445
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adjs 3, 5)		447
4. Total Client Days	<u>1,892</u>	<u>1,892</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>358,260</u>	\$ <u>338,541</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>189.36</u>	\$ <u>178.93</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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OVERPAYMENTS

1. Medi-Cal Overpayments(Adj 6)	\$ <u>0</u>	\$ <u>3,675</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>3,675</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MISSION HOPE ICF/DD-H

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

Provider NPI:
1386780286

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		\$ 7,272	\$ 0	\$ 7,272
050	Leases and Rentals		0		0
055	Real Property Taxes		4,494	0	4,494
060	Personal Property Taxes		0		0
065	Mortgage Interest		13,263	0	13,263
070	Property Insurance		2,548	0	2,548
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,577	\$ 0	\$ 27,577
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,925	\$ 0	\$ 8,925
085	Utilities		5,840	0	5,840
090	Client Transportation (excluding Adult Day Services)		6,396	0	6,396
095	Dietary		12,443	0	12,443
100	Personal Care and Laundry		7,051	0	7,051
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 40,655	\$ 0	\$ 40,655
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 68,232	\$ 0	\$ 68,232
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 22,808	\$ 0	\$ 22,808
120	QMRP Fringe Benefits		3,565	0	3,565
125	Lead Salaries		32,592	0	32,592
130	Lead Fringe Benefits		5,095	0	5,095
135	Aides Salaries		88,447	0	88,447
140	Aides Fringe Benefits		13,826	0	13,826
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 166,333	\$ 0	\$ 166,333

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MISSION HOPE ICF/DD-H

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

Provider NPI:
1386780286

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,403	\$ 0	\$ 1,403
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant		9,950	0	9,950
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		640	0	640
205	Social Service Consultant		0		0
210	Other Consultant	2	10,200	(8,250)	1,950
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 22,193	\$ (8,250)	\$ 13,943
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 60,000	\$ 0	\$ 60,000
225	Administrative Fringe Benefits		9,379	0	9,379
226	Quality Assurance Fees (excluding Adult Day Services)		14,209	0	14,209
230	Other General and Administrative*** (excluding Adult Day Services)	1, 2	17,914	(11,469)	6,445
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 101,502	\$ (11,469)	\$ 90,033
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 358,260	\$ (19,719)	\$ 338,541
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation	1	214,300	3,036	217,336
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 572,560	\$ (16,683)	\$ 555,877

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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
MISSION HOPE ICF/DD-H				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1386780286		6
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	230	4	2	230	2	Other General and Administrative	\$17,914	(\$3,036)	\$14,878 *
	4.1	241	4	2	241	2	Adult Day Services and Related Transportation	214,300	3,036	217,336
							To reclassify administrative cost of the adult day service program for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
MISSION HOPE ICF/DD-H				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1386780286		6
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 COSTS</u>										
2	4.1	210	4	2	210	2	Other Consultant	\$10,200	(\$8,250)	\$1,950
	4.1	230	4	2	230	2	Other General and Administrative To eliminate home office costs due to lack of supporting documentation. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	* 14,878	(8,433)	6,445

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
MISSION HOPE ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1386780286	6		
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
ADJUSTMENTS TO REPORTED PATIENT DAYS											
3	2	3	1	1	1	2	Medi-Cal Client Days	1,892	(365)	1,527 *	
	2	3	3	1	3	2	Other Client Days	0	365	365 *	
To reclassify client days from Medi-Cal days for proper classification. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304											
4	2	3	1	1	1	2	Medi-Cal Client Days	* 1,527	(82)	1,445	
	2	3	4	1	4	2	Total Client Days	1,892	(82)	1,810 *	
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 July 31, 2012 Report Date: August 20, 2012 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											
5	2	3	3	1	3	2	Other Client Days	* 365	82	447	
	2	3	4	1	4	2	Total Client Days	* 1,810	82	1,892	
To adjust client days to agree with the provider's census reports. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304											

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
MISSION HOPE ICF/DD-H				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1386780286		6
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>										
6	Not Reported			1	1	2	Medi-Cal Overpayments To recover Medi-Cal overpayments due to improper billings. 42 CFR 413.50 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786, 51476, and 51458.1	\$0	\$3,675	\$3,675