

**REPORT
ON THE
RATE SETTING AUDIT**

**YORKTOWN HOME
SAN MATEO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1427255827**

**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: Marisa Ho
Auditor: Eileen Kuang**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Leonila Salomon
Owner/Administrator
Yorktown Home
1644 Yorktown Road
San Mateo, CA 94402

YORKTOWN HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1427255827
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	\$	325,829	\$ 148.78
Net Audit Adjustment		<u>(92,595)</u>	<u>(42.28)</u>
Audited Cost/Cost Per Day	\$	<u>233,234</u>	\$ <u>106.50</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:
YORKTOWN HOME

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

Provider NPI:
1427255827

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 9)	2,190	0
2. Medi-Cal Managed Care Days (Adj 10)	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>325,829</u>	\$ <u>233,234</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>148.78</u>	\$ <u>106.50</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> </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:
YORKTOWN HOME

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

Provider NPI:
1427255827

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	2	\$ 0	\$ 10,722	\$ 10,722
050	Leases and Rentals	2	59,392	(59,392)	0
055	Real Property Taxes		7,284	0	7,284
060	Personal Property Taxes				0
065	Mortgage Interest	2	0	17,022	17,022
070	Property Insurance	2	0	4,350	4,350
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 66,675	\$ (27,298)	\$ 39,378
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4	\$ 25,446	\$ (345)	\$ 25,101
085	Utilities	5	21,968	(10,675)	11,293
090	Client Transportation (excluding Adult Day Services)	6	42,483	(16,229)	26,254
095	Dietary		21,669	0	21,669
100	Personal Care and Laundry	7	10,933	(7,725)	3,208
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 122,499	\$ (34,974)	\$ 87,525
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 189,175	\$ (62,272)	\$ 126,903
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 19,200	\$ 0	\$ 19,200
120	QMRP Fringe Benefits		690	0	690
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries	1	68,771	(710)	68,061
140	Aides Fringe Benefits		2,471	0	2,471
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 91,132	\$ (710)	\$ 90,422

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
YORKTOWN HOME

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

Provider NPI:
1427255827

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant \$		\$	\$	0
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant	1	770	(70)	700
175	Occupational Therapy Consultant		490	0	490
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant	1	290	440	730
195	Physician Consultant				0
200	Recreational Consultant		1,050	0	1,050
205	Social Service Consultant				0
210	Other Consultant	1	6,470	(50)	6,420
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 9,070	\$ 320	\$ 9,390
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)				0
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 3, 8	36,452	(29,933)	6,519
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 36,452	\$ (29,933)	\$ 6,519
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 325,829	\$ (92,595)	\$ 233,234
	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)		\$ 325,829	\$ (92,595)	\$ 233,234

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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	
YORKTOWN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1427255827	10	
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	4.1	135	4	2	135	3	Aides Salaries	\$68,771	(\$710)	\$68,061
	4.1	170	4	2	170	3	Physical Therapy Consultan	770	(70)	700
	4.1	190	4	2	190	3	Psychologist Consultan	290	440	730
	4.1	210	4	2	210	3	Other Consultant	6,470	(50)	6,420
	4.1	230	4	2	230	3	Other General and Administrative	36,452	(220)	36,232 *
							To adjust reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
2	4	050	4	2	050	3	Leases and Rentals	\$59,392	(\$59,392)	\$0
	4	045	4	2	045	3	Depreciation and Amortization	0	10,722	10,722
	4	065	4	2	065	3	Mortgage Interest	0	17,022	17,022
	4	070	4	2	070	3	Property Insurance	0	4,350	4,350
							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			
3	4.1	230	4	2	230	3	Other General and Administrative	* \$36,232	(\$4,265)	\$31,967 *
							To eliminate property insurance expense not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2105, 2300, and 2304			
4	4	080	4	2	080	3	Home Operations and Maintenance	\$25,446	(\$345)	\$25,101
							To adjust reported Home Operations and Maintenance expenses 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
YORKTOWN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1427255827		10
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.				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
5	4	085	4	2	085	3	Utilities To adjust reported Utilities expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$21,968	(\$10,675)	\$11,293
6	4	090	4	2	090	3	Client Transportation To eliminate Client Transportation expenses due to the lack of documentation and to exclude items not related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2105, 2300, and 2304 W&I Code 14124.2(b)	\$42,483	(\$16,229)	\$26,254
7	4	100	4	2	100	3	Personal Care and Laundry To eliminate Personal Care and Laundry expenses due to the lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2105, 2300, and 2304 W&I Code 14124.2(b)	\$10,933	(\$7,725)	\$3,208
8	4.1	230	4	2	230	3	Other General and Administrative To eliminate Other General and Administrative expenses due to the lack of documentation and not related to patient care. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2105, 2300, and 2304 W&I Code 14124.2(b)	* \$31,967	(\$25,448)	\$6,519

*Balance carried forward from prior/to subsequent adjustments

Provider Name			Fiscal Period				Provider NPI		Adjustments	
YORKTOWN HOME			JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1427255827		10	
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 PATIENT DAYS										
9	2	3		1	1	2	Medi-Cal Days 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 January 1, 2011 through March 9, 2013 Payment Period: May 10, 2013 Report Date: 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	2,190	(2,190)	0
10	Not Reported			1	2	2	Medi-Cal Managed Care Days To include Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	2,190	2,190