

**REPORT
ON THE
RATE SETTING AUDIT**

**PARADISE VALLEY
FAIRFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1730360082**

**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: Marvin Reynolds**



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



EDMUND G. BROWN JR.
GOVERNOR

June 28, 2013

Leonilla Padilla, Administrator
Paradise Valley
3313 El Pinole Way
Fairfield, CA 94533

PARADISE VALLEY
NATIONAL PROVIDER IDENTIFIER (NPI) 1730360082
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 and 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	\$	265,522	\$ 121.24
Net Audit Adjustment		<u>(12,637)</u>	<u>(5.77)</u>
Audited Cost/Cost Per Day	\$	<u>252,885</u>	\$ <u>115.47</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.

Leonilla Padilla
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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:
PARADISE VALLEY

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

Provider NPI:
1730360082

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	0	0
2. Medi-Cal Managed Care Days (Adj)	2,190	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>265,522</u>	\$ <u>252,885</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>121.24</u>	\$ <u>115.47</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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:
PARADISE VALLEY

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

Provider NPI:
1730360082

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				0
055	Real Property Taxes	2	4,536	(1,488)	3,048
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		4,104	0	4,104
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 8,640	\$ (1,488)	\$ 7,152
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 14,499	\$ 0	\$ 14,499
085	Utilities		12,983	0	12,983
090	Client Transportation (excluding Adult Day Services)	1	15,361	4,755	20,116
095	Dietary		19,313	0	19,313
100	Personal Care and Laundry		6,215	0	6,215
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 68,371	\$ 4,755	\$ 73,126
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 77,010	\$ 3,267	\$ 80,278
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 29,725	\$ 0	\$ 29,725
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		72,697	0	72,697
140	Aides Fringe Benefits	5	26,850	(7,986)	18,864
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 129,272	\$ (7,986)	\$ 121,286

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PARADISE VALLEY

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

Provider NPI:
1730360082

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,268	\$ 0	\$ 1,268
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		15,450	0	15,450
190	Psychologist Consultant		4,425	0	4,425
195	Physician Consultant				0
200	Recreational Consultant		700	0	700
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 21,843	\$ 0	\$ 21,843
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 7,500	\$ 0	\$ 7,500
225	Administrative Fringe Benefits		600	0	600
226	Quality Assurance Fees (excluding Adult Day Services)		4,867	0	4,867
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 3, 4	24,430	(7,918)	16,512
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 37,397	\$ (7,918)	\$ 29,479
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 265,522	\$ (12,637)	\$ 252,885
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		173,471	0	173,471
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 438,993	\$ (12,637)	\$ 426,357

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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
PARADISE VALLEY							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1730360082		5
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>										
1	4	090	4	2	090	3	Client Transportation	\$15,361	\$4,755	\$20,116
	4.1	230	4	2	230	3	Other General and Administrative To adjust the reported expenses to agree with the provider's profit and loss statement. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	24,430	(6,917)	17,513 *
2	4	055	4	2	055	3	Real Property Taxes To adjust property tax expense to agree with the property tax statements. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$4,536	(\$1,488)	\$3,048
3	4.1	230	4	2	230	3	Other General and Administrative * To eliminate income tax preparation expenses not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2100, 2102.3, 2105, and 2122	\$17,513	(\$500)	\$17,013 *
4	4.1	230	4	2	230	3	Other General and Administrative * To eliminate late fee expenses not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2100, 2102.3, 2103, and 2105	\$17,013	(\$501)	\$16,512
5	4.1	140	4	2	140	3	Aides Fringe Benefits To eliminate life insurance expenses not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	\$26,850	(\$7,986)	\$18,864

*Balance carried forward from prior/to subsequent adjustments