

**REPORT
ON THE
RATE SETTING AUDIT**

**CASA NOVA ICF/DD-H
SAN MATEO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1982876702**

**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: Mandy Lin**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 28, 2013

Yolanda T. Ruiz, Administrator
Casa Nova ICF/DD-H
3937 Casa Nova Drive
San Mateo, CA 94403

CASA NOVA ICF/DDH
NATIONAL PROVIDER IDENTIFIER (NPI) 1982876702
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	\$	367,070	\$ 167.61
Net Audit Adjustment		(37,707)	(17.22)
Audited Cost/Cost Per Day	\$	<u>329,363</u>	\$ <u>150.39</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.

Yolanda T. Ruiz
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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:
CASA NOVA ICF/DD-H

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

Provider NPI:
1982876702

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 5)	2,190	0
2. Medi-Cal Managed Care Days (Adj 5)	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>367,070</u>	\$ <u>329,363</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>167.61</u>	\$ <u>150.39</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:
CASA NOVA ICF/DD-H

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

Provider NPI:
1982876702

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	\$ 8,702	\$ 3,826	\$ 12,528
050	Leases and Rentals	1	56,000	(56,000)	0
055	Real Property Taxes	1	0	5,799	5,799
060	Personal Property Taxes				0
065	Mortgage Interest	1	0	15,334	15,334
070	Property Insurance		2,065	0	2,065
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 66,767	\$ (31,041)	\$ 35,726
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,358	\$ 0	\$ 5,358
085	Utilities		9,248	0	9,248
090	Client Transportation (excluding Adult Day Services)	2	2,043	847	2,890
095	Dietary	3	27,375	(9,788)	17,587
100	Personal Care and Laundry		4,081	0	4,081
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 48,105	\$ (8,941)	\$ 39,164
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 114,872	\$ (39,982)	\$ 74,890
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 49,560	\$ 0	\$ 49,560
120	QMRP Fringe Benefits		4,884	0	4,884
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		54,327	0	54,327
140	Aides Fringe Benefits		5,354	0	5,354
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 114,125	\$ 0	\$ 114,125

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CASA NOVA ICF/DD-H

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

Provider NPI:
1982876702

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,600	\$ 0	\$ 1,600
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		364	0	364
175	Occupational Therapy Consultant		420	0	420
180	Pharmacist Consultant				0
185	Nurse Consultant		32,556	0	32,556
190	Psychologist Consultant		2,805	0	2,805
195	Physician Consultant		80	0	80
200	Recreational Consultant		1,900	0	1,900
205	Social Service Consultant		370	0	370
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 40,095	\$ 0	\$ 40,095
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 57,610	\$ 0	\$ 57,610
225	Administrative Fringe Benefits		5,677	0	5,677
226	Quality Assurance Fees (excluding Adult Day Services)		28,768	0	28,768
230	Other General and Administrative*** (excluding Adult Day Services)	4	5,923	2,275	8,198
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 97,978	\$ 2,275	\$ 100,253
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 367,070	\$ (37,707)	\$ 329,363
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 110,912	\$ 0	\$ 110,912
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 477,982	\$ (37,707)	\$ 440,275

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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
CASA NOVA ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1982876702		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.				
ADJUSTMENTS TO REPORTED COSTS										
1	4	045	4	2	045	3	Depreciation and Amortization	\$8,702	\$3,826	\$12,528
	4	050	4	2	050	3	Leases and Rentals	56,000	(56,000)	0
	4	055	4	2	055	3	Real Property Taxes	0	5,799	5,799
	4	065	4	2	065	3	Mortgage Interest	0	15,334	15,334
							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			
2	4	090	4	2	090	3	Client Transportation	\$2,043	\$847	\$2,890
							To include the transportation expense improperly reported in another facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
3	4	095	4	2	095	3	Dietary	\$27,375	(\$9,788)	\$17,587
							To eliminate fund transfers improperly reported as dietary expense. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
4	5	230	4	2	230	3	Other General and Administrative	\$5,923	\$2,275	\$8,198
							To include the administrative expense improperly reported in another facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

Provider Name				Fiscal Period				Provider NPI		Adjustments
CASA NOVA ICF/DD-H				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1982876702		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>										
5	2	3	2	1	1	1	Medi-Cal Client Days	2,190	(2,190)	0
	2	3	3	1	2	1	Medi-Cal Managed Care Days	0	2,190	2,190
							To adjust 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			