

**REPORT  
ON THE  
RATE SETTING AUDIT**

**ALICIA PARKWAY GUEST HOME  
MISSION VIEJO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1821182817**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

**Audits Section—Santa Ana  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Margaret A. Varho  
Audit Supervisor: Margaret A. Varho  
Auditor: Paula Greene**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 9, 2013

Teresita Raffles, President  
Orpas Corporation  
48 Downing  
Ladera Ranch, CA 92694

ALICIA PARKWAY GUEST HOME  
NATIONAL PROVIDER IDENTIFIER (NPI) 1821182817  
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	\$	335,400	\$ 158.36
Net Audit Adjustment		<u>(24,798)</u>	<u>(11.71)</u>
Audited Cost/Cost Per Day	\$	<u>310,602</u>	\$ <u>146.65</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Teresita Raflones  
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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:

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—Santa Ana at (714) 558-4434.

***(Original signed by Margaret Varho)***

Margaret A. Varho, Chief  
Audits Section—Santa Ana  
Financial Audits Branch

Certified

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

**Provider:**  
ALICIA PARKWAY GUEST HOME

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

**Provider NPI:**  
1821182817

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	0	0
2. Medi-Cal Managed Care Days (Adj )	2,118	2,118
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,118</u>	<u>2,118</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>335,400</u>	\$ <u>310,602</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>158.36</u>	\$ <u>146.65</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>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:  
ALICIA PARKWAY GUEST HOME

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

Provider NPI:  
1821182817

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	5	\$ 10,312	\$ (6,410)	\$ 3,902
050	Leases and Rentals				0
055	Real Property Taxes		2,675		2,675
060	Personal Property Taxes				0
065	Mortgage Interest	4	14,310	(4,079)	10,231
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,297	\$ (10,489)	\$ 16,808
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 14,048	\$	\$ 14,048
085	Utilities		4,114		4,114
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		7,886		7,886
100	Personal Care and Laundry		1,931		1,931
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 27,979	\$ 0	\$ 27,979
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 55,276	\$ (10,489)	\$ 44,787
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		41,989		41,989
130	Lead Fringe Benefits	2	4,621	(696)	3,925
135	Aides Salaries		77,100		77,100
140	Aides Fringe Benefits	2	11,636	(379)	11,257
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 135,346	\$ (1,075)	\$ 134,271

## SUMMARY OF AUDITED FACILITY EXPENSES

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ALICIA PARKWAY GUEST HOME

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

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1821182817

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,080	\$	\$ 1,080
165	Speech Pathology Consultant		500		500
170	Physical Therapy Consultant		1,608		1,608
175	Occupational Therapy Consultant		1,080		1,080
180	Pharmacist Consultant		380		380
185	Nurse Consultant	1	11,453	(753)	10,700
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant	1	665	(350)	315
205	Social Service Consultant				0
210	Other Consultant		18,000		18,000
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 34,766	\$ (1,103)	\$ 33,663
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)	6	29,448	(10,802)	18,646
230	Other General and Administrative*** (Excluding Adult Day Services)	3	80,564	(1,329)	79,235
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 110,012	\$ (12,131)	\$ 97,881
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 335,400	\$ (24,798)	\$ 310,602
	<b>NON-CLIENT CARE EXPENSES</b>		(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)		\$ 335,400	\$ (24,798)	\$ 310,602

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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		
ALICIA PARKWAY GUEST HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1821182817	6		
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<b>ADJUSTMENTS TO REPORTED COSTS</b>											
1	4.1	185	4	2	185	3	Nurse Consultant	\$11,453	(\$753)	\$10,700	
	4.1	200	4	2	200	3	Recreational Consultan To adjust consultant expense to agree with the expense applicable t the audit period and the provider's invoices: 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	665	(350)	315	
2	4.1	130	4	2	130	3	Lead Fringe Benefits	\$4,621	(\$696)	\$3,925	
	4.1	140	4	2	140	3	Aides Fringe Benefits To adjust workers compensation expense to agree with the provider's invoices. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	11,636	(379)	11,257	
3	4.1	230	4	2	230	3	Other General and Administrative To eliminate nonallowable state and/or federal income taxes. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2122.2A, 2122.2B, 2300 and 2304	\$80,564	(\$1,329)	\$79,235	
4	4	065	4	2	065	3	Mortgage Interest To eliminate interest expense relating to unsubstantiated refinancing costs. 42 CFR 413.20, 413.24 and 413.134 CMS Pub. 15-1, Sections 102 and 2304	\$14,310	(\$4,079)	\$10,231	
5	4	045	4	2	045	3	Depreciation and Amortization To adjust depreciation expense to agree with the audited building value. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 102, 2300 and 2304	\$10,312	(\$6,410)	\$3,902	

Provider Name							Fiscal Period	Provider NPI		Adjustments
ALICIA PARKWAY GUEST HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1821182817		6
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
6	4.1	226	4	2	226	3	Quality Assurance Fees To adjust quality assurance fees to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$29,448	(\$10,802)	\$18,646