

**REPORT  
ON THE  
RATE SETTING AUDIT**

**CASA FAIAL  
FRESNO, CALIFORNIA  
NPI NUMBER: 1457404055**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

**Audits Section - Fresno  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Michael Harrold  
Audit Supervisor: Kathy Atkins  
Auditor: Susan Calvino**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 12, 2013

Lucia E. Noia  
CEO / Administrator  
Noia Residential Care Services, Inc.  
606 East Belmont Avenue  
Fresno, CA 93701

CASA FAIAL  
NATIONAL PROVIDER IDENTIFIER (NPI) 1457404055  
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	\$	332,214	\$ 151.83
Net Audit Adjustment		<u>(24,445)</u>	<u>(11.17)</u>
Audited Cost/Cost Per Day	\$	<u>307,769</u>	\$ <u>140.66</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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.

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.

Lucia E. Noia  
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed By

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

Certified

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

**Provider:**  
CASA FAIAL

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

**Provider NPI:**  
1457404055

**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 )	2,188	2,188
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,188</u>	<u>2,188</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>332,214</u>	\$ <u>307,769</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>151.83</u>	\$ <u>140.66</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:  
CASA FAIAL

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

Provider NPI:  
1457404055

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		\$ 663	\$	\$ 663
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	2,3	4,057	(3,474)	583
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 4,720	\$ (3,474)	\$ 1,246
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	5,13	\$ 10,177	\$ (1,311)	\$ 8,866
085	Utilities	6, 16	8,030	(762)	7,268
090	Client Transportation (excluding Adult Day Services)	4	(459)	459	0
095	Dietary		9,248		9,248
100	Personal Care and Laundry		214		214
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 27,210	\$ (1,614)	\$ 25,596
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 31,930	\$ (5,088)	\$ 26,842
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 13,062	\$	\$ 13,062
120	QMRP Fringe Benefits	10	7,544	(130)	7,414
125	Lead Salaries		73,719		73,719
130	Lead Fringe Benefits	10	24,090	(2,535)	21,555
135	Aides Salaries		39,786		39,786
140	Aides Fringe Benefits		14,394		14,394
145	Other Salaries	11	7,453	(3,252)	4,201
150	Other Fringe Benefits	10,11	3,380	(1,551)	1,829
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 183,428	\$ (7,468)	\$ 175,960

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CASA FAIAL

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

Provider NPI:  
1457404055

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	7	\$ 1,567	\$ (616)	\$ 951
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		120		120
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant	8,9,10	28,233	(4,599)	23,634
190	Psychologist Consultant		0		0
195	Physician Consultant	15	1,688	(1,688)	0
200	Recreational Consultant		600		600
205	Social Service Consultant	10,12	9,314	(7,541)	1,773
210	Other Consultant		255		255
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 41,777	\$ (14,444)	\$ 27,333
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 8,242		\$ 8,242
225	Administrative Fringe Benefits	10	827	(62)	765
226	Quality Assurance Fees (excluding Adult Day Services)	1	22,302		22,302
230	Other General and Administrative*** (Excluding Adult Day Services)	3,14,17	43,708	2,617	46,325
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 75,079	\$ 2,555	\$ 77,634
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 332,214	\$ (24,445)	\$ 307,769
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 3,618		\$ 3,618
241	Adult Day Services and Related Transportation	2,4	257,224	(115)	257,109
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)	1	\$ 593,056	\$ (24,560)	\$ 568,496

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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 FAIAL							JANUARY 1, 2011 TROUGH DECEMBER 31, 2011	1457404055		17
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				
<b><u>MEMORANDUM ADJUSTMENT</u></b>										
1	4.1	226	4	2	226	3	Quality Assurance Fees	\$0	\$22,302	\$22,302
	4.1	245	4	2	245	1	Total Expenses	594,797	(1,741)	593,056
To correct reporting errors. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CASA FAIAL							JANUARY 1, 2011 TROUGH DECEMBER 31, 2011	1457404055	17	
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				
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
2	4	070	4	2	070	3	Property Insurance	\$4,057	(\$344)	\$3,713 *
	4.1	241	4	2	241	3	Adult Day Services and Related Transportatio To reclassify auto insurance expense to the proper cost center and conjunction with adjustment 3. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	257,224	344	257,568 *
3	4	070	4	2	070	3	Property Insurance	* \$3,713	(\$3,130)	\$583
	4.1	230	4	2	230	3	Other General and Administrative To reclassify liability insurance for proper cost finding. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	43,708	3,130	46,838 *
4	4.1	241	4	2	241	3	Adult Day Services and Related Transportation	* \$257,568	(\$459)	\$257,109
	4	090	4	2	090	3	Client Transportation To reclassify client transportation expense to a nonreimbursable cost center. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2328	(459)	459	0

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA FAIAL							JANUARY 1, 2011 TROUGH DECEMBER 31, 2011	1457404055		17
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				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
5	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operations and maintenance expense due to insufficient or lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$10,177	(\$1,187)	\$8,990 *
6	4	085	4	2	085	3	Utilities To adjust utilities expense to agree with the expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$8,030	(\$2,000)	\$6,030 *
7	4.1	160	4	2	160	3	Dietician Consultant To adjust dietary consultant services to reflect proper allocation of costs between facilities. 42 CFR 413.24 CMS Pub. 15-1, Sections 2102.1, 2302.4 and 2302.8	\$1,567	(\$616)	\$951
	4.1	185	4	2	185	3	Nurse Consultant	\$28,233		
8							To adjust nurse consultant expense to agree with the general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$489)	
9							To eliminate nurse consultant expense that does not pertain to this facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(4,040) (\$4,529)	\$23,704 *

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA FAIAL							JANUARY 1, 2011 TROUGH DECEMBER 31, 2011	1457404055		17
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				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
10	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$7,544	(\$130)	\$7,414
	4.1	130	4	2	130	3	Lead Fringe Benefits	24,090	(2,535)	21,555
	4.1	150	4	2	150	3	Other Fringe Benefits	3,380	(76)	3,304 *
	4.1	185	4	2	185	3	Nurse Consultant	23,704	(70)	23,634
	4.1	205	4	2	205	3	Social Service Consultant	9,314	(16)	9,298 *
	4.1	225	4	2	225	3	Administrative Fringe Benefits	827	(62)	765
							To offset employee contributions against health and other insurances for proper cost determination. 42 CFR 413.5, 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2328			
11	4.1	145	4	2	145	3	Other Salaries	\$7,453	(\$3,252)	\$4,201
	4.1	150	4	2	150	3	Other Fringe Benefits	3,304	(1,475)	1,829
							To adjust other salaries and benefits to agree with the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
12	4.1	205	4	2	205	3	Social Service Consultant	\$9,298	(\$7,525)	\$1,773
							To eliminate social services consultant expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
13	4	080	4	2	080	3	Home Operations and Maintenance	\$8,990	(\$124)	\$8,866
							To eliminate medical supply expense due to insufficient documentation. 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	
CASA FAIAL							JANUARY 1, 2011 TROUGH DECEMBER 31, 2011	1457404055		17	
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					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>											
14	4.1	230	4	2	230	3	Other General and Administrative To adjust reported home office costs to agree with the audited Noia Residential Services Home Office Cost Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	*	\$46,838	(\$3,019)	\$43,819 *
15	4.1	195	4	2	195	3	Physician Consultant To eliminate physician's compensation costs due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.1, 2300 and 2304 CCR, Title 22, Sections 51510.2(b), 51343.1, 76872(d) and 76874(a)		\$1,688	(\$1,688)	\$0
16	4	085	4	2	085	3	Utilities To adjust utilities expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$6,030	\$1,238	\$7,268
17	4.1	230	4	2	230	3	Other General and Administrative 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	*	\$43,819	\$2,506	\$46,325

\*Balance carried forward from prior/to subsequent adjustments