

**REPORT
ON THE
RATE SETTING AUDIT**

**CASA SANTA MARIA
FRESNO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1063564169**

**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: Paul Vandruck**



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 SANTA MARIA
NATIONAL PROVIDER IDENTIFIER (NPI) 1063564169
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, patient days, and use of share of cost 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	\$	310,005	\$ 141.55
Net Audit Adjustment		(13,944)	(6.36)
Audited Cost/Cost Per Day	\$	<u>296,061</u>	\$ <u>135.19</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 SANTA MARIA

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

Provider NPI:
1063564169

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
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>310,005</u>	\$ <u>296,061</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>141.55</u>	\$ <u>135.19</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 SANTA MARIA

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

Provider NPI:
1063564169

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	6	\$ 1,495	\$ (1,495)	\$ 0
050	Leases and Rentals				0
055	Real Property Taxes	14	0	3,107	3,107
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	3, 4	4,058	(3,474)	584
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 5,553	\$ (1,862)	\$ 3,691
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 17,714	\$	\$ 17,714
085	Utilities	7	9,535	(2,000)	7,535
090	Client Transportation (excluding Adult Day Services)	2	(458)	458	0
095	Dietary		9,517		9,517
100	Personal Care and Laundry		387		387
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 36,695	\$ (1,542)	\$ 35,153
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 42,248	\$ (3,404)	\$ 38,844
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 13,823	\$	\$ 13,823
120	QMRP Fringe Benefits	10	7,121	(126)	6,995
125	Lead Salaries		29,167		29,167
130	Lead Fringe Benefits	10	12,503	(353)	12,150
135	Aides Salaries		67,758		67,758
140	Aides Fringe Benefits	10	23,541	(253)	23,288
145	Other Salaries		3,426		3,426
150	Other Fringe Benefits	10	2,394	(45)	2,349
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 159,733	\$ (777)	\$ 158,956

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CASA SANTA MARIA

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

Provider NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	13	\$ 1,213	\$ (187)	\$ 1,026
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		300		300
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant	5, 10	18,807	(550)	18,257
190	Psychologist Consultant		100		100
195	Physician Consultant	9	1,878	(1,688)	190
200	Recreational Consultant		600		600
205	Social Service Consultant	8	9,052	(7,313)	1,739
210	Other Consultant		256		256
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 32,206	\$ (9,738)	\$ 22,468
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 8,595		\$ 8,595
225	Administrative Fringe Benefits		868		868
226	Quality Assurance Fees (excluding Adult Day Services)	1	22,520		22,520
230	Other General and Administrative*** (Excluding Adult Day Services)	4, 11, 12	43,835	(25)	43,810
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 75,818	\$ (25)	\$ 75,793
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 310,005	\$ (13,944)	\$ 296,061
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services	1	\$ 3,726		\$ 3,726
241	Adult Day Services and Related Transportation	2, 3	239,772	(114)	239,658
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 553,503	\$ (14,058)	\$ 539,445

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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 SANTA MARIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1063564169		14
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>MEMORANDUM ADJUSTMENT</u>										
1	4.1	226	4	2	226	1	Quality Assurance Fees	\$0	\$22,520	\$22,520
	4.1	240	4	2	240	1	Non-Program Services	0	3,726	3,726
							To correct a reporting error on the cost report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CASA SANTA MARIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1063564169	14	
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>RECLASSIFICATIONS OF REPORTED COSTS</u>										
2	4.1	241	4	2	241	3	Adult Day Services and Related Transportation	\$239,772	(\$458)	\$239,314 *
	4	090	4	2	090	3	Client Transportatior To reclassify client transportation expense to the appropriate co center for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	(458)	458	0
3	4	070	4	2	070	3	Property Insurance	\$4,058	(\$344)	\$3,714 *
	4.1	241	4	2	241	3	Adult Day Services and Related Transportation To reclassify auto insurance expense to the proper cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* 239,314	344	239,658
4	4	070	4	2	070	3	Property Insurance	* \$3,714	(\$3,130)	\$584
	4.1	230	4	2	230	3	Other General and Administrative To reclassify liability insurance expenses for proper cost finding. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	43,835	3,130	46,965 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
CASA SANTA MARIA				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1063564169		14
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>ADJUSTMENTS TO REPORTED COSTS</u>										
5	4.1	185	4	2	185	3	Nurse Consultant To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$18,807	(\$488)	\$18,319 *
6	4	045	4	2	045	3	Depreciation and Amortization To eliminate duplicated depreciation expense to agree with the provider's records and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,495	(\$1,495)	\$0
7	4	085	4	2	085	3	Utilities To eliminate costs applicable to a subsequent audit period and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	\$9,535	(\$2,000)	\$7,535
8	4.1	205	4	2	205	3	Social Service Consultant To eliminate social service consultant expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.1, 2300 and 2304	\$9,052	(\$7,313)	\$1,739
9	4.1	195	4	2	195	3	Physician Consultant To eliminate physician's compensation costs due to insufficient documentation to support services provided. 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, 768872(d), and 76874(a)	\$1,878	(\$1,688)	\$190

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA SANTA MARIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1063564169		14
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>										
10	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$7,121	(\$126)	\$6,995
	4.1	130	4	2	130	3	Lead Fringe Benefits	12,503	(353)	12,150
	4.1	140	4	2	140	3	Aides Fringe Benefits	23,541	(253)	23,288
	4.1	150	4	2	150	3	Other Fringe Benefits	2,394	(45)	2,349
	4.1	185	4	2	185	3	Nurse Consultant	* 18,319	(62)	18,257
							To offset employee contributions against health insurance expense for proper cost determination. 42 CFR 413.5, 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2328			
	4.1	230	4	2	230	3	Other General and Administrative	* \$46,965		
11							To eliminate political contributions and lobbying fees not related to client care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2139, 2300 and 2304		(\$131)	
12							To adjust reported home office costs to agree with the Noia Residential Services , Inc. Home Office Audit Report for the fiscal period ended 12/31/11. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		<u>(3,024)</u> (\$3,155)	\$43,810
13	4.1	160	4	2	160	3	Dietician Consultant	\$1,213	(\$187)	\$1,026
							To eliminate prior period costs and to include the cost of menus that should have been allocated to the facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304			
14	4	055	4	2	055	3	Real Property Taxes	\$0	\$3,107	\$3,107
							To include the cost of ownership in lieu of related party lease expense. 42 CFR 413.17, 413.20, 413.24 and 413.134(h) CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304			

*Balance carried forward from prior/to subsequent adjustments