

**REPORT
ON THE
RATE SETTING AUDIT**

**CASA SAO JORGE
FRESNO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1548313141**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Michael Harrold
Auditor: Jeanene Lopez**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 05, 2013

Lucia Noia, Administrator
Noia Residential Services, Inc.
606 East Belmont Avenue
Fresno, CA 93701

CASA SAO JORGE
NATIONAL PROVIDER IDENTIFIER (NPI) 1548313141
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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	\$	353,703		\$ 162.17
Net Audit Adjustment		(19,766)		(9.06)
Audited Cost/Cost Per Day	\$	<u>333,937</u>		\$ <u>153.11</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 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 SAO JORGE

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

Provider NPI:
1548313141

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,181	2,181
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,181</u>	<u>2,181</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>353,703</u>	\$ <u>333,937</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>162.17</u>	\$ <u>153.11</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>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CASA SAO JORGE

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

Provider NPI:
1548313141

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	5	\$ 1,127	\$ (990)	\$ 137
050	Leases and Rentals				0
055	Real Property Taxes	22	0	2,607	2,607
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)		\$ 5,184	\$ (1,857)	\$ 3,327
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	6, 7, 8	\$ 11,631	\$ (1,492)	\$ 10,139
085	Utilities	9, 10	10,507	(1,113)	9,394
090	Client Transportation (excluding Adult Day Services)	1	(460)	460	0
095	Dietary	11	9,171	(640)	8,531
100	Personal Care and Laundry		257		257
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 31,106	\$ (2,785)	\$ 28,321
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 36,290	\$ (4,642)	\$ 31,648
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 21,495		\$ 21,495
120	QMRP Fringe Benefits	19	9,486	(222)	9,264
125	Lead Salaries		47,949		47,949
130	Lead Fringe Benefits	19	32,543	(1,382)	31,161
135	Aides Salaries		65,218		65,218
140	Aides Fringe Benefits	19	21,565	(307)	21,258
145	Other Salaries		3,581		3,581
150	Other Fringe Benefits	19	2,310	(45)	2,265
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 204,147	\$ (1,956)	\$ 202,191

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CASA SAO JORGE

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

Provider NPI:
1548313141

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	12	\$ 877	\$ (130)	\$ 747
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant	4	20,566	(488)	20,078
190	Psychologist Consultant				0
195	Physician Consultant	18	1,738	(1,738)	0
200	Recreational Consultant		550		550
205	Social Service Consultant	19, 20	9,474	(7,672)	1,802
210	Other Consultant	21	258	(258)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 33,463	\$ (10,286)	\$ 23,177
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 10,765		\$ 10,765
225	Administrative Fringe Benefits	19	1,705	(183)	1,522
226	Quality Assurance Fees (excluding Adult Day Services)		22,848		22,848
230	Other General and Administrative*** (Excluding Adult Day Services)	3, 13-17	44,485	(2,699)	41,786
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 79,803	\$ (2,882)	\$ 76,921
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 353,703	\$ (19,766)	\$ 333,937
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 3,532		\$ 3,532
241	Adult Day Services and Related Transportation	1, 2	259,228	(116)	259,112
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 616,463	\$ (19,882)	\$ 596,581

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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 SAO JORGE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1548313141	22	
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>										
1	4	090	4	2	090	3	Client Transportation	(\$460)	\$460	\$0
	4.1	241	4	2	241	3	Adult Day Services and Related Transportatio To reclassify client transportation expenses to the appropriate cos center. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2328	259,228	(460)	258,768 *
2	4.1	241	4	2	241	3	Adult Day Services and Related Transportation	*	\$258,768	\$344
	4	070	4	2	070	3	Property Insurance To reclassify transportation expense for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	4,057	(344)	3,713 *
3	4.1	230	4	2	230	3	Other General and Administrative	\$44,485	\$3,130	\$47,615 *
	4	070	4	2	070	3	Property Insurance To reclassify liability insurance expense for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* 3,713	(3,130)	583

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA SAO JORGE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1548313141		22
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>										
4	4.1	185	4	2	185	3	Nurse Consultant To adjust reported expenses to agree with provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$20,566	(\$488)	\$20,078
5	4	045	4	2	045	3	Depreciation and Amortization To adjust reported depreciation to agree with depreciation schedules. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,127	(\$990)	\$137
	4	080	4	2	080	3	Home Operations and Maintenance	\$11,631		
6							To eliminate home operations expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$1,156)	
7							To eliminate expense related to a different facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(250)	
8							To eliminate dental expense not included in the Medi-Cal daily rate. CCR, Title 22, Section 51510.2		<u>(86)</u> (\$1,492)	\$10,139
		085	4	2	085	3	Utilities	\$10,507		
9							To eliminate expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$87)	
10							To eliminate subsequent period expense. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		<u>(1,026)</u> (\$1,113)	\$9,394

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA SAO JORGE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1548313141		22
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>										
11	4	095	4	2	095	3	Dietary To eliminate dietary expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$9,171	(\$640)	\$8,531
12	4.1	160	4	2	160	3	Dietician Consultant To adjust consultant expense to agree with vendor invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$877	(\$130)	\$747
	4.1	230	4	2	230	3	Other General and Administrative	*	\$47,615	
13							To eliminate subsequent period administrative expense for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(\$2,442)	
14							To eliminate no show penalty that is also a prior period expense for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(25)	
15							To eliminate administrative expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(207)	
16							To adjust lobbying fees as nonallowable and not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2139, 2300 and 2304		(143)	
17							To adjust home office cost to agree with Noia Residential Services, Inc audit report for fiscal period ending 12/31/11. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		<u>(3,012)</u> (\$5,829)	\$41,786
*Balance carried forward from prior/to subsequent adjustments										Page 3

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA SAO JORGE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1548313141		22
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>										
18	4.1	195	4	2	195	3	Physician Consultant To eliminate physician consultant fees that have been separately billed. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.2	\$1,738	(\$1,738)	\$0
19	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$9,486	(\$222)	\$9,264
	4.1	130	4	2	130	3	Lead Fringe Benefits	32,543	(1,382)	31,161
	4.1	140	4	2	140	3	Aides Fringe Benefits	21,565	(307)	21,258
	4.1	150	4	2	150	3	Other Fringe Benefits	2,310	(45)	2,265
	4.1	210	4	2	205	3	Social Service Consultant	9,474	(18)	9,456 *
	4.1	225	4	2	225	3	Administrative Fringe Benefits To offset employee contributions against health and other 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	1,705	(183)	1,522
20	4.1	205	4	2	205	3	Social Service Consultant To adjust social service consultant expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$9,456	(\$7,654)	\$1,802
21	4.1	210	4	2	210	3	Other Consultant To adjust other consultant expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$258	(\$258)	\$0
22	4	55	4	2	55	3	Real Property Taxes To include property taxes for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$0	\$2,607	\$2,607

*Balance carried forward from prior/to subsequent adjustments