

**REPORT  
ON THE  
RATE SETTING AUDIT**

**CASA SAO MIGUEL  
FRESNO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1922151521**

**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: Jeffrey Swan**



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 SAO MIGUEL  
NATIONAL PROVIDER IDENTIFIER (NPI) 1922151521  
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	\$	324,298	\$ 148.22
Net Audit Adjustment		(13,162)	(6.02)
Audited Cost/Cost Per Day	\$	<u>311,136</u>	\$ <u>142.20</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 SAO MIGUEL

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

**Provider NPI:**  
1922151521

**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>324,298</u>	\$ <u>311,136</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>148.22</u>	\$ <u>142.20</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:  
CASA SAO MIGUEL

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

Provider NPI:  
1922151521

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	6	\$ 1,012	\$ (1,012)	\$ 0
050	Leases and Rentals				0
055	Real Property Taxes	15	0	2,360	2,360
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	3,4	4,057	(3,474)	583
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 5,069	\$ (2,126)	\$ 2,943
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 14,069	\$	\$ 14,069
085	Utilities	13	8,641	(985)	7,656
090	Client Transportation (excluding Adult Day Services)	2	(460)	460	0
095	Dietary		9,266		9,266
100	Personal Care and Laundry		265		265
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 31,781	\$ (525)	\$ 31,256
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 36,850	\$ (2,651)	\$ 34,199
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 13,058	\$	\$ 13,058
120	QMRP Fringe Benefits	8	7,641	(174)	7,467
125	Lead Salaries		59,128		59,128
130	Lead Fringe Benefits	8	27,776	(1,750)	26,026
135	Aides Salaries		38,042		38,042
140	Aides Fringe Benefits	8	14,663	(317)	14,346
145	Other Salaries		3,426		3,426
150	Other Fringe Benefits	8	2,465	(45)	2,420
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 166,199	\$ (2,286)	\$ 163,913

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CASA SAO MIGUEL

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

Provider NPI:  
1922151521

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	11	\$ 862	\$ 88	\$ 950
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		400		400
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant	5,8,10	29,204	807	30,011
190	Psychologist Consultant				0
195	Physician Consultant	7	1,688	(1,688)	0
200	Recreational Consultant		600		600
205	Social Service Consultant	8,9	9,126	(7,391)	1,735
210	Other Consultant		256		256
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 42,136	\$ (8,184)	\$ 33,952
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 8,598		\$ 8,598
225	Administrative Fringe Benefits	8	868	(18)	850
226	Quality Assurance Fees (excluding Adult Day Services)	1	23,777		23,777
230	Other General and Administrative*** (Excluding Adult Day Services)	4,12,14	45,870	(23)	45,847
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 79,113	\$ (41)	\$ 79,072
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 324,298	\$ (13,162)	\$ 311,136
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services	1,5	\$ 4,079	\$ (386)	\$ 3,693
241	Adult Day Services and Related Transportation	2,3	227,938	(116)	227,822
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 556,315	\$ (13,664)	\$ 542,651

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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 MIGUEL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1922151521	15		
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	3	Quality Assurance Fees	\$0	\$23,777	\$23,777	
	4.1	240	4	2	240	3	Non-Program Services	0	4,079	4,079 *	
To correct a reporting error on the cost report											
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 SAO MIGUEL				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1922151521		15
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>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
2	4	090	4	2	090	3	Client Transportation	(\$460)	\$460	\$0
	4.1	241	4	2	241	3	Adult Day Services and Related Transportation To reclassify client transportation to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	227,938	(460)	227,478 *
3	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 Transportation To reclassify auto insurance expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	* 227,478	344	227,822
4	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 expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	45,870	3,130	49,000 *

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CASA SAO MIGUEL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1922151521	15	
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	4.1	185	4	2	185	3	Nurse Consultant	\$29,204	(\$488)	\$28,716 *
	4.1	240	4	2	240	3	Non-Program Services 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	* 4,079	(386)	3,693
6	4	045	4	2	045	3	Depreciation and Amortization To eliminate depreciation expense that is already being expensed through home office costs. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,012	(\$1,012)	\$0
7	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, 76872(d), and 76874(a)	\$1,688	(\$1,688)	\$0
8	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$7,641	(\$174)	\$7,467
	4.1	130	4	2	130	3	Lead Fringe Benefits	27,776	(1,750)	26,026
	4.1	140	4	2	140	3	Aides Fringe Benefits	14,663	(317)	14,346
	4.1	150	4	2	150	3	Other Fringe Benefits	2,465	(45)	2,420
	4.1	185	4	2	185	3	Nurse Consultant	* 28,716	(52)	28,664 *
	4.1	205	4	2	205	3	Social Service Consultant	9,126	(18)	9,108 *
	4.1	225	4	2	225	3	Administrative Fringe Benefits 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	868	(18)	850

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
CASA SAO MIGUEL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1922151521		15	
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>											
9	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	*	\$9,108	(\$7,373)	\$1,735
10	4.1	185	4	2	185	3	Nurse Consultant To adjust nurse consultant expense to reflect proper allocation of costs between facilities. 42 CFR 413.24 CMS Pub. 15-1, Sections 2102.1, 2302.4 and 2302.8	*	\$28,664	\$1,347	\$30,011
11	4.1	160	4	2	160	3	Dietician Consultant To adjust dietician consultant expense to reflect proper allocation of costs between facilities. 42 CFR 413.24 CMS Pub. 15-1, Sections 2102.1, 2302.4 and 2302.8		\$862	\$88	\$950
12	4.1	230	4	2	230	3	Other General and Administrative To eliminate political lobby fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2139, 2300 and 2304	*	\$49,000	(\$131)	\$48,869 *
13	4	085	4	2	085	3	Utilities To eliminate utilities expense not applicable to the audit period and due to insufficient documentation. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306		\$8,641	(\$985)	\$7,656
14	4.1	230	4	2	230	3	Other General and Administrative To adjust reported home office costs to agree with the Noia Home Office Audit Report for fiscal period ended 12/31/11. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	*	\$48,869	(\$3,022)	\$45,847
*Balance carried forward from prior/to subsequent adjustments										Page 4	

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CASA SAO MIGUEL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1922151521	15	
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>ADJUSTMENTS TO REPORTED COSTS</u></b>										
15	4	055	4	2	055	3	Real Property Taxes To include property tax expense which was not reported by the provider. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	\$0	\$2,360	\$2,360