REPORT
ON THE
RATE SETTING AUDIT

DEL PARK MANOR
CORONA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1083827109

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: Henry Igboke
Auditor: Rita Lopez

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: July 11, 2013

Audrey Turner
Executive Director
Peppermint Ridge
825 Magnolia Avenue
Corona, CA 92879

DEL PARK MANOR
NATIONAL PROVIDER IDENTIFIER (NPI) 1083827109
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	795,208	$	181.60
Net Audit Adjustment		(3,761)		(0.90)
Audited Cost/Cost Per Day	$	791,447	$	180.70

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.

605 West Santa Ana Blvd., Building 28, Room 830, Santa Ana, CA 92701
(714) 558-4434 / (714) 558-4179 fax
Internet Address: www.dhcs.ca.gov

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:
DEL PARK MANOR

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

Provider NPI:
1083827109

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 18)	4,379	4,380
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	4,379	4,380
5. Total Client Care Expenses (From Sch. 2)	$ 795,208	$ 791,447
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 181.60	$ 180.70
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$ 0	$ 0
2. Credit Balances (Adj)	$ 0	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DEL PARK MANOR

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

Provider NPI:
1083827109

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		$ 6,906	$	$ 6,906
050	Leases and Rentals		0		0
055	Real Property Taxes		0		0
060	Personal Property Taxes		159		159
065	Mortgage Interest		0		0
070	Property Insurance	2, 16	280	(280)	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)	1	$ 7,345	$ (280)	$ 7,065
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3, 4	$ 4,755	$ (538)	$ 4,217
085	Utilities	17	6,633	(515)	6,118
090	Client Transportation (excluding Adult Day Services)		3,979		3,979
095	Dietary	5	27,676	(174)	27,502
100	Personal Care and Laundry	6, 7, 8, 9	22,626	(2,518)	20,108
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 65,669	$ (3,745)	$ 61,924
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)	1	$ 73,014	$ (4,025)	$ 68,989
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 32,805	$	$ 32,805
120	QMRP Fringe Benefits		3,070		3,070
125	Lead Salaries		45,614		45,614
130	Lead Fringe Benefits		7,836		7,836
135	Aides Salaries		245,847		245,847
140	Aides Fringe Benefits		66,320		66,320
145	Other Salaries		19,636		19,636
150	Other Fringe Benefits		9,996		9,996
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)	1	$ 431,124	$ 0	$ 431,124

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DEL PARK MANOR

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

Provider NPI:
1083827109

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,260	$	$ 1,260
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		495		495
175	Occupational Therapy Consultant	10	1,643	(270)	1,373
180	Pharmacist Consultant		0		0
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		525		525
205	Social Service Consultant		0		0
210	Other Consultant	11, 12	2,335	(374)	1,961
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 6,258	$ (644)	$ 5,614
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$ 36,324	$	$ 36,324
225	Administrative Fringe Benefits		7,497		7,497
226	Quality Assurance Fees (excluding Adult Day Services)		49,862		49,862
230	Other General and Administrative*** (Excluding Adult Day Services)	2, 13, 14, 15	191,129	908	192,037
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 284,812	$ 908	$ 285,720
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 795,208	$ (3,761)	$ 791,447
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		$ 0	$	$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)	1	$ 795,208	$ (3,761)	$ 791,447

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
DEL PARK MANOR	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083827109	18

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							MEMORANDUM ADJUSTMENT			
1	4	75	4	2	75	3	Total Property Expenses	$7,346	($1)	$7,345
	4	110	4	2	110	3	Total Basic Facility Cos	73,105	(91)	73,014
	4.1	155	4	2	155	3	Total Direct Care Staf	431,125	(1)	431,124
	4.1	245	4	2	245	3	Total Facility Expenses	795,210	(2)	795,208
							To correct reported total amounts that did not foot.			
							42 CFR 413.20 and 413.24/ CMS Pub. 15-1, Sections 2300 and 2304			

Provider Name	Fiscal Period	Provider NPI	Adjustments
DEL PARK MANOR	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083827109	18

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATION OF REPORTED COSTS			
2	4	070	4	2	070	3	Property Insurance	$280	($140)	$140 *
	4.1	230	4	2	230	3	Other General and Administrative	191,129	140	191,269 *
							To reclassify surety bond 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			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
DEL PARK MANOR	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083827109	18

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
3	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operations expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$4,755	($346)	$4,409 *
4	4	080	4	2	080	3	Home Operations and Maintenance * To adjust home expense belonging to other facilities for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$4,409	($192)	$4,217
5	4	095	4	2	095	3	Dietary To eliminate dietary expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$27,676	($174)	$27,502
6	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care and laundry expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$22,626	($1,814)	$20,812 *
7	4	100	4	2	100	3	Personal Care and Laundry * To eliminate personal care and laundry expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$20,812	($464)	$20,348 *
8	4	100	4	2	100	3	Personal Care and Laundry * To adjust personal care and laundry expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	$20,348	($169)	$20,179 *

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DEL PARK MANOR	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083827109	18

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
9	4	100	4	2	100	3	Personal Care and Laundry *	$20,179	($71)	$20,108
							To adjust personal care and laundry expense not belonging to audited facility for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			
10	4.1	175	4	2	175	3	Occupational Therapy Consultant	$1,643	($270)	$1,373
							To adjust occupational therapist consultant expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306			
11	4.1	210	4	2	210	3	Other Consultant	$2,335	($220)	$2,115 *
							To adjust behavior management consultant expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306			
12	4.1	210	4	2	210	3	Other Consultant *	$2,115	($154)	$1,961
							To adjust separately billable consultant expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306 CCR, Title 22, Section 51511 (c)			
13	4.1	230	4	2	230	3	Other General and Administrative *	$191,269	($999)	$190,270 *
							To eliminate gift cards expense for employees not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105			
14	4.1	230	4	2	230	3	Other General and Administrative *	$190,270	($527)	$189,743 *
							To eliminate expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			

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Provider Name	Fiscal Period	Provider NPI	Adjustments
DEL PARK MANOR	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083827109	18

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS				
15	4.1	230	4	2	230	3	Other General and Administrative To adjust home office costs to agree with the filed Peppermint Ridge 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	*	$189,743	$2,294	$192,037
16	4	070	4	2	070	3	Property Insurance To eliminate surety bond insurance expense that does not belong to facility under audit. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	$140	($140)	$0
17	4	085	4	2	085	3	Utilities To reconcile the reported utilities expense to agree with the provider's allocation schedule and invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		$6,633	($515)	$6,118

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Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED PATIENT DAYS			
18	2	3		1	4	N/A	Total Client Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	4,379	1	4,380