

**REPORT
ON THE
RATE SETTING AUDIT**

**GRANNY'S HOUSE PLUMAS AVENUE
OROVILLE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1497897482**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Kelly Ostrom
Auditor: Douglas Evans**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 20, 2013

Dorothy Alexander, Owner
Granny's House Plumas Avenue
350 Plumas Drive
Oroville, CA 95966

GRANNY'S HOUSE PLUMAS AVENUE
NATIONAL PROVIDER IDENTIFIER (NPI) 1497897482
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	\$	299,061	\$ 136.56
Net Audit Adjustment		<u>(33,529)</u>	<u>(15.31)</u>
Audited Cost/Cost Per Day	\$	<u>265,532</u>	\$ <u>121.25</u>

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 Fee-For-Service Rates Development Division.

Dorothy Alexander
Page 2

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:

John Melton, 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—Sacramento at (916) 650-6994.

Original Signed By

Robert G. Kvick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
GRANNY'S HOUSE PLUMAS AVENUE

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

Provider NPI:
1497897482

**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
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>299,061</u>	\$ <u>265,532</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>136.56</u>	\$ <u>121.25</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:
GRANNY'S HOUSE PLUMAS AVENUE

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

Provider NPI:
1497897482

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		\$ 1,900	\$	\$ 1,900
050	Leases and Rentals				0
055	Real Property Taxes		1,895		1,895
060	Personal Property Taxes		0		0
065	Mortgage Interest		4,978		4,978
070	Property Insurance		3,668		3,668
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 12,441	\$ 0	\$ 12,441
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 4,812	\$ (1,314)	\$ 3,498
085	Utilities	2	8,404	(870)	7,534
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		13,673		13,673
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 26,889	\$ (2,184)	\$ 24,705
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 39,330	\$ (2,184)	\$ 37,146
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	3	\$ 13,998	\$ (260)	\$ 13,738
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		58,230		58,230
130	Lead Benefits		0		0
135	Aides Salaries		43,319		43,319
140	Aides Benefits		0		0
145	Other Salaries	4	13,046	(13,046)	0
150	Other Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 128,593	\$ (13,306)	\$ 115,287

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GRANNY'S HOUSE PLUMAS AVENUE

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

Provider NPI:
1497897482

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 367	\$	\$ 367
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		324		324
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant	5	3,382	(3,382)	0
185	Nurse Consultant		17,243		17,243
190	Psychologist Consultant		830		830
195	Physician Consultant		1,898		1,898
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		653		653
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 24,697	\$ (3,382)	\$ 21,315
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		21,152		21,152
230	Other General and Administrative*** (Excluding Adult Day Services)	6	85,289	(14,657)	70,632
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 106,441	\$ (14,657)	\$ 91,784
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 299,061	\$ (33,529)	\$ 265,532
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 299,061	\$ (33,529)	\$ 265,532

Page 2 of 2

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
Granny's House Plumas Avenue							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1497897482		6
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>										
1	4	80	4	2	80	3	Home Operations and Maintenance To eliminate maintenance supplies expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$4,812	(\$1,314)	\$3,498
2	4	085	4	2	85	3	Utilities To eliminate storage 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)	\$8,404	(\$870)	\$7,534
3	4.1	115	4	2	115	3	QMRP Salaries To eliminate QMRP salaries expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$13,998	(\$260)	\$13,738
4	4.1	145	4	2	145	3	Other Salaries To eliminate other salaries - maintenance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$13,046	(\$13,046)	\$0
5	4.1	180	4	2	180	3	Pharmacist Consultant To eliminate pharmacist consultant 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)	\$3,382	(\$3,382)	\$0
6	4.1	230	4	2	230	3	Other General and Administrative To adjust reported home office costs to agree with the Granny's House Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 / CMS Pub. 15-1, Sections 2150.2 and 2304	\$85,289	(\$14,657)	\$70,632