

**REPORT  
ON THE  
RATE SETTING AUDIT  
JADE HOME  
OXNARD, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1720115934  
FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Daniel J. Giardinelli  
Audit Supervisor: Henry Kwan  
Auditor: Tricia Sugioka**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 27, 2013

Matthew Steinorth  
Executive Director  
Epiphany Care Homes, Inc.  
1331 Doris Avenue  
Oxnard, California 93030

JADE HOME  
NATIONAL PROVIDER IDENTIFIER (NPI) 1720115934  
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	\$	369,557	\$ 173.91
Net Audit Adjustment		<u>(27,103)</u>	<u>(12.76)</u>
Audited Cost/Cost Per Day	\$	<u>342,454</u>	\$ <u>161.15</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$2,369, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status.

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.

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.

Matthew Steinorth  
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If you have questions regarding this report, you may call the Audits Section—Burbank at (818) 295-2620.

**Original Signed By**

Daniel J. Giardinelli, Chief  
Audits Section—Burbank  
Financial Audits Branch

Certified

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

**Provider:**  
JADE HOME

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

**Provider NPI:**  
1720115934

**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 )	2,125	2,125
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,125</u>	<u>2,125</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>369,557</u>	\$ <u>342,454</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>173.91</u>	\$ <u>161.15</u>

**SHARE OF COST**

7. Share of Cost Audit Adjustment (Adj 10)	\$ <u>NA</u>	\$ <u>2,183</u>
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**OVERPAYMENTS**

8. Overpayments (Adj 9)	\$ <u>0</u>	\$ <u>186</u>
9. Credit Balances (Adj )	\$ <u>0</u>	\$ <u>0</u>
10. Total Overpayments	\$ <u>0</u>	\$ <u>186</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
JADE HOME

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

Provider NPI:  
1720115934

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		\$ 0	\$	\$ 0
050	Leases and Rentals		47,131		47,131
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 47,131	\$ 0	\$ 47,131
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	2, 3	\$ 5,542	\$ (898)	\$ 4,644
085	Utilities	4, 5	7,163	(383)	6,780
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		13,557		13,557
100	Personal Care and Laundry		1,100		1,100
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 27,362	\$ (1,281)	\$ 26,081
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 74,493	\$ (1,281)	\$ 73,212
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 15,123	\$	\$ 15,123
120	QMRP Fringe Benefits		1,343		1,343
125	Lead Salaries		37,713		37,713
130	Lead Fringe Benefits		3,350		3,350
135	Aides Salaries		98,122		98,122
140	Aides Fringe Benefits		8,715		8,715
145	Other Salaries		9,325		9,325
150	Other Fringe Benefits		828		828
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 174,519	\$ 0	\$ 174,519

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
JADE HOME

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

Provider NPI:  
1720115934

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		\$ 1,200	\$	\$ 1,200
165	Speech Pathology Consultant		264		264
170	Physical Therapy Consultant	6	620	(250)	370
175	Occupational Therapy Consultant		1,403		1,403
180	Pharmacist Consultant		480		480
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		2,950		2,950
200	Recreational Consultant		0		0
205	Social Service Consultant		1,335		1,335
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,252	\$ (250)	\$ 8,002
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 59	\$	\$ 59
225	Administrative Fringe Benefits		5		5
226	Quality Assurance Fees (excluding Adult Day Services)	7	25,997	(13,007)	12,990
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 8	86,232	(12,565)	73,667
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 112,293	\$ (25,572)	\$ 86,721
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 369,557	\$ (27,103)	\$ 342,454
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation	1	216,034	3,241	219,275
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 585,591	\$ (23,862)	\$ 561,729

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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		
JADE HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1720115934	10		
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>RECLASSIFICATION OF REPORTED COSTS</u></b>											
1	4.1	230	4	2	230	3	Other General and Administrative	\$86,232	(\$3,241)	\$82,991 *	
	4.1	241	4	2	241	3	Adult Day Services and Related Transportatio To reclassify RC Admin fees to the appropriate cost center fc proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8	216,034	3,241	219,275	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
JADE HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1720115934		10
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>										
	4	080	4	2	080	3	Home Operations and Maintenance	\$5,542		
2							To eliminate purchased services expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$191)	
3							To eliminate home buyer's protection expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105		<u>(707)</u> <u>(\$898)</u>	\$4,644
	4	085	4	2	085	3	Utilities	\$7,163		
4							To eliminate gas 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)		(\$267)	
5							To adjust telephone expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		<u>(116)</u> <u>(\$383)</u>	\$6,780
6	4.1	170	4	2	170	3	Physical Therapy Consultant To adjust physical therapy consultant expense for proper accrual. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306	\$620	(\$250)	\$370

Provider Name							Fiscal Period	Provider NPI		Adjustments
JADE HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1720115934		10
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>										
7	4.1	226	4	2	226	3	Quality Assurance Fees To adjust quality assurance fees to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$25,997	(\$13,007)	\$12,990
8	4.1	230	4	2	230	3	Other General and Administrative * To eliminate workers' compensation insurance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$82,991	(\$9,324)	\$73,667

\*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
JADE HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1720115934		10
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 OTHER MATTERS</u></b>										
9	Not Reported			1	8		Overpayments To recover overpayments for the overstatement of patient days. CCR, Title 22, Section 51458.1	\$0	\$186	\$186
10	Not Reported			1	7		Share of Cost To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	\$0	\$2,183	\$2,183