

**REPORT
ON THE
RATE SETTING AUDIT**

**PATE AND INGRAM HOME II
HAWTHORN, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1700094927**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Nicholas Lui**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

April 12, 2013

Alma Ingram, Administrator
Pate & Ingram Home II
11129 Haas Avenue
Los Angeles, CA 90047

PATE & INGRAM HOME II
NATIONAL PROVIDER IDENTIFIER (NPI): 1700094927
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:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	278,514	\$ 138.22
Net Audit Adjustment		(643)	(0.32)
Audited Cost/Cost Per Day	\$	<u>277,871</u>	\$ <u>137.90</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.

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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

Alma Ingram
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cc: Arecio Briones, Consultant
13349 Ebell Street
Van Nuys, CA 91402

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

Provider:
PATE & INGRAM HOME II

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

Provider NPI:
1700094927

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,015	2,015
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,015</u>	<u>2,015</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>278,514</u>	\$ <u>277,871</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>138.22</u>	\$ <u>137.90</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:
PATE & INGRAM HOME II

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

Provider NPI:
1700094927

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		\$ 3,119	\$	\$ 3,119
050	Leases and Rentals		0		0
055	Real Property Taxes		3,268		3,268
060	Personal Property Taxes				0
065	Mortgage Interest		17,916		17,916
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,303	\$ 0	\$ 24,303
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	9	\$ 9,587	\$ (225)	\$ 9,362
085	Utilities	5 & 6	7,275	(523)	6,752
090	Client Transportation (excluding Adult Day Services)		3,034		3,034
095	Dietary		10,644		10,644
100	Personal Care and Laundry	10	3,872	(561)	3,311
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 34,412	\$ (1,309)	\$ 33,103
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 58,715	\$ (1,309)	\$ 57,406
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	1	\$ 25,619	\$ (88)	\$ 25,531
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits		42,000		42,000
135	Aides Salaries	8	8,602	(261)	8,341
140	Aides Fringe Benefits	8	67,349	(13)	67,336
145	Other Salaries		13,762		13,762
150	Other Fringe Benefits		8,592		8,592
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 165,924	\$ (362)	\$ 165,562

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PATE & INGRAM HOME II

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

Provider NPI:
1700094927

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 375	\$	\$ 375
165	Speech Pathology Consultant	2	1,003	343	1,346
170	Physical Therapy Consultant		735		735
175	Occupational Therapy Consultant		735		735
180	Pharmacist Consultant	3	225	75	300
185	Nurse Consultant		10,520		10,520
190	Psychologist Consultant	4	875	315	1,190
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,468	\$ 733	\$ 15,201
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 8,592	\$	\$ 8,592
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		16,824		16,824
230	Other General and Administrative*** (Excluding Adult Day Services)	7	13,991	295	14,286
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 39,407	\$ 295	\$ 39,702
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 278,514	\$ (643)	\$ 277,871
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		296,100		296,100
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 574,614	\$ (643)	\$ 573,971

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
PATE AND INGRAM HOME II							JANUARY 1, 2001 THROUGH DECEMBER 31, 2011	1700094927		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				
ADJUSTMENTS TO REPORTED COSTS										
1	4.1	115	4	2	115	3	QMRP Salaries To adjust the reported QMRP consultant expense to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$25,619	II C 4 (\$88)	\$25,531
2	4.1	165	4	2	165	3	Speech Pathology Consultant To adjust the reported speech pathology consultant expense to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,003	II C 4 \$343	\$1,346
3	4.1	180	4	2	180	3	Pharmacist Consultant To adjust the reported psychological consultant expense to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$225	II C 4 \$75	\$300
4	4.1	190	4	2	190	3	Psychologist Consultant To adjust the reported psychological consultant expense to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$875	IIC4 \$315	\$1,190
5	4	085	4	2	085	3	Utilities To adjust utilities expense to agree with expenses applicable to the audit period 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$7,275	II C 6 (\$223)	\$7,052 *

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period		Provider NPI		Adjustments
PATE AND INGRAM HOME II							JANUARY 1, 2001 THROUGH DECEMBER 31, 2011		1700094927		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.					
ADJUSTMENTS TO REPORTED COSTS											
6	4	085	4	2	085	3	Utilities To eliminate utilities expenses 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)	*	\$7,052	II C6 (\$300)	\$6,752
7	4.1	230	4	2	230	3	Other General and Administrative To adjust accounting fees to agree with vendor's invoices. 42 CFR 413.2 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$13,991	II C9 \$295	\$14,286
8	4.1	135	4	2	135	3	Aides Salaries		\$67,349	II C5 (\$261)	\$67,088
	4.1	140	4	2	140	3	Aides Fringe Benefits To adjust reported aides salaries and benefits expenses to agree with provider's payroll records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		13,762	(13)	13,749
9	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operations and maintenance expenses 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)		\$9,587	II C7 (\$225)	\$9,362
10	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care expenses paid to a pharmacy 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)		\$3,872	II C8 (\$561)	\$3,311

*Balance carried forward from prior/to subsequent adjustments