

**REPORT
ON THE
RATE SETTING AUDIT**

**OAKBANK GROUP HOME
COVINA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1962624288**

**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: Cyrus Lam
Auditor: Wei Wang**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 27, 2013

Eden Salceda, Administrator
Oakbank Group Home
5420 North Oakbank Avenue
Covina, CA 91722

OAKBANK GROUP HOME
NATIONAL PROVIDER IDENTIFIER (NPI): 1962624288
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	\$	320,156	\$ 150.66
Net Audit Adjustment		<u>5,831</u>	<u>2.31</u>
Audited Cost/Cost Per Day	\$	<u>325,987</u>	\$ <u>152.97</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

Eden Salceda
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Certified
Enclosures

cc: Gloria Fonacier, Controller
Unified Care Services
2368 Torrance Boulevard, Suite 200
Torrance, CA 90501

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

Provider:
OAKBANK GROUP HOME

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

Provider NPI:
1962624288

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 10)	2,125	2,131
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>2,131</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>320,156</u>	\$ <u>325,987</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>150.66</u>	\$ <u>152.97</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:
OAKBANK GROUP HOME

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

Provider NPI:
1962624288

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		\$ 5,124	\$	\$ 5,124
050	Leases and Rentals				0
055	Real Property Taxes		3,337		3,337
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	2	7,251	1,411	8,662
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,712	\$ 1,411	\$ 17,123
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,832	\$	\$ 3,832
085	Utilities	1,3	9,269	(3,718)	5,551
090	Client Transportation (excluding Adult Day Services)		1,138		1,138
095	Dietary	4	11,948	(291)	11,657
100	Personal Care and Laundry		5,840		5,840
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,027	\$ (4,009)	\$ 28,018
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 47,739	\$ (2,598)	\$ 45,141
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		115,343		115,343
140	Aides Fringe Benefits		25,382		25,382
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 140,725	\$ 0	\$ 140,725

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
OAKBANK GROUP HOME

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

Provider NPI:
1962624288

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$	\$	0
165	Speech Pathology Consultant		2,615		2,615
170	Physical Therapy Consultant		1,980		1,980
175	Occupational Therapy Consultant		1,815		1,815
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		4,496		4,496
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)		\$ 10,906	\$ 0	\$ 10,906
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	5	\$ 62,822	\$ (1,135)	\$ 61,687
225	Administrative Fringe Benefits		8,445		8,445
226	Quality Assurance Fees (excluding Adult Day Services)	6	19,508	5,985	25,493
230	Other General and Administrative*** (Excluding Adult Day Services)	1,7,8,9	30,011	3,579	33,590
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 120,786	\$ 8,429	\$ 129,215
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 320,156	\$ 5,831	\$ 325,987
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 320,156	\$ 5,831	\$ 325,987

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period		Provider NPI		Adjustments
OAKBANK GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1962624288		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					
<u>RECLASSIFICATION OF REPORTED COSTS</u>											
1	4	085	4	2	085	3	Utilities	\$9,269	(\$1,933)	\$7,336 *	
	4.1	230	4	2	230	3	Other General and Administrative To reclassify telephone expenses 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	30,011	1,933	31,944 *	

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments	
OAKBANK GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1962624288		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											
2	4	070	4	2	070	3	Property Insurance To adjust the reported property insurance expense to agree with the provider's property insurance invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$7,251	\$1,411	\$8,662	
3	4	085	4	2	085	3	Utilities To eliminate personal phone 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)	*	\$7,336	(\$1,785)	\$5,551
4	4	095	4	2	095	3	Dietary To eliminate dietary 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)		\$11,948	(\$291)	\$11,657
5	4.1	220	4	2	220	3	Administrative Salaries To adjust accounting 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		\$62,822	(\$1,135)	\$61,687

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
OAKBANK GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1962624288		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	4.1	226	4	2	226	3	Quality Assurance Fees To adjust the reported quality assurance fee expenses to agree with the provider's quality assurance fee bills. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$19,508	\$5,985	\$25,493
7	4.1	230	4	2	230	3	Other General and Administrative To eliminate minimum franchise taxes. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2122.2A, 2122.2B, 2300 and 2304	* \$31,944	(\$800)	\$31,144 *
8	4.1	230	4	2	230	3	Other General and Administrative To reconcile the reported CDPH license expenses to agree with the provider's CDPH license invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$31,144	\$256	\$31,400 *
9	4.1	230	4	2	230	3	Other General and Administrative To adjust reported home office costs to agree with the Unified Care Services 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	* \$31,400	\$2,190	\$33,590

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
OAKBANK GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1962624288		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					
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>											
10	2	3	1	1	1	N/A	Medi-Cal Client Days To adjust Medi-Cal client 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		2,125	6	2,131