

**REPORT
ON THE
RATE SETTING AUDIT**

**PATE AND INGRAM HOME I
INGLEWOOD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1982812194**

**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 B. Sampson
Auditor: Xiaoli Li**



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



EDMUND G. BROWN JR.
GOVERNOR

June 21, 2013

Alma Ingram, Administrator
Pate and Ingram Home I
11129 Haas Avenue
Los Angeles, CA 90047

PATE AND INGRAM HOME I
NATIONAL PROVIDER IDENTIFIER (NPI): 1982812194
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	\$	263,103	\$ 154.68
Net Audit Adjustment		(1,651)	(0.98)
Audited Cost/Cost Per Day	\$	<u>261,452</u>	\$ <u>153.70</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
Page 3

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

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

Provider:

PATE AND INGRAM HOME I

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1982812194

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 6)	1,628	1,624
2. Medi-Cal Managed Care Days (Adj)	61	61
3. Other Client Days (Adj 5)	12	16
4. Total Client Days	<u>1,701</u>	<u>1,701</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>263,103</u>	\$ <u>261,452</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>154.68</u>	\$ <u>153.70</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>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PATE AND INGRAM HOME I

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

Provider NPI:
1982812194

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		\$ 3,021	\$	\$ 3,021
050	Leases and Rentals				0
055	Real Property Taxes		5,364		5,364
060	Personal Property Taxes				0
065	Mortgage Interest		2,874		2,874
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 11,259	\$ 0	\$ 11,259
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 10,789	\$ (1,946)	\$ 8,843
085	Utilities		4,969		4,969
090	Client Transportation (excluding Adult Day Services)		2,527		2,527
095	Dietary		8,986		8,986
100	Personal Care and Laundry		4,161		4,161
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 31,432	\$ (1,946)	\$ 29,486
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 42,691	\$ (1,946)	\$ 40,745
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 20,960	\$	\$ 20,960
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		122,015		122,015
140	Aides Fringe Benefits		24,880		24,880
145	Other Salaries		7,253		7,253
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 175,108	\$ 0	\$ 175,108

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PATE AND INGRAM HOME I

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

Provider NPI:
1982812194

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 260	\$	\$ 260
165	Speech Pathology Consultant		585		585
170	Physical Therapy Consultant		665		665
175	Occupational Therapy Consultant		752		752
180	Pharmacist Consultant		225		225
185	Nurse Consultant		9,200		9,200
190	Psychologist Consultant		560		560
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)		\$ 12,247	\$ 0	\$ 12,247
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 7,253	\$	\$ 7,253
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)	2	12,815	381	13,196
230	Other General and Administrative*** (Excluding Adult Day Services)	3, 4	12,989	(86)	12,903
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 33,057	\$ 295	\$ 33,352
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 263,103	\$ (1,651)	\$ 261,452
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		164,551		164,551
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 427,654	\$ (1,651)	\$ 426,003

** 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 I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1982812194	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.					
ADJUSTMENTS TO REPORTED COSTS											
1	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)	\$10,789	(\$1,946)	\$8,843	
2	4.1	226	4	2	226	3	Quality Assurance Fees To reconcile the reported Quality Assurance Fees to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$12,815	\$381	\$13,196	
3	4.1	230	4	2	230	3	Other General and Administrative To adjust accounting and legal fee expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$12,989	\$225	\$13,214 *	
4	4.1	230	4	2	230	3	Other General and Administrative To eliminate advertising expense not related to patient care 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3, 2136 and 2136.2	* \$13,214	(\$311)	\$12,903	

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period		Provider NPI		Adjustments
PATE AND INGRAM HOME I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1982812194		6
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
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>											
5	2	3	3	1	3	2	Other Client Days To adjust other 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		12	4	16

Provider Name							Fiscal Period	Provider NPI		Adjustments
PATE AND INGRAM HOME I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1982812194		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				
ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA										
6	2	3	1	1	1	2	Medi-Cal Client Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through December 31, 2012 Report Date: January 31, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64 and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404 and 2408 CCR, Title 22, Section 51541	1,628	(4)	1,624