

**REPORT
ON THE
RATE SETTING AUDIT
PELICAN HOME
OXNARD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1467589614
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: Jimmy Lee**



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

PELICAN HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1467589614
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	\$	372,232	\$ 169.97
Net Audit Adjustment		(24,539)	(11.21)
Audited Cost/Cost Per Day	\$	<u>347,693</u>	\$ <u>158.76</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 \$303, 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:
PELICAN HOME

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

Provider NPI:
1467589614

**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	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>372,232</u>	\$ <u>347,693</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>169.97</u>	\$ <u>158.76</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 5)	\$ <u>NA</u>	\$ <u>303</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:
 PELICAN HOME

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

Provider NPI:
 1467589614

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		\$ 0	\$	\$ 0
050	Leases and Rentals		49,545		49,545
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)		\$ 49,545	\$ 0	\$ 49,545
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 11,762	\$ (487)	\$ 11,275
085	Utilities		8,484		8,484
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		13,718		13,718
100	Personal Care and Laundry		1,154		1,154
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 35,118	\$ (487)	\$ 34,631
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 84,663	\$ (487)	\$ 84,176
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 16,444	\$	\$ 16,444
120	QMRP Fringe Benefits		1,607		1,607
125	Lead Salaries		27,923		27,923
130	Lead Fringe Benefits		2,729		2,729
135	Aides Salaries		96,760		96,760
140	Aides Fringe Benefits		9,457		9,457
145	Other Salaries		9,325		9,325
150	Other Fringe Benefits		911		911
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 165,156	\$ 0	\$ 165,156

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PELICAN HOME

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

Provider NPI:
1467589614

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,200	\$	\$ 1,200
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		460		460
175	Occupational Therapy Consultant		963		963
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		1,155		1,155
210	Other Consultant		25		25
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,233	\$ 0	\$ 7,233
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)	4	26,996	(12,636)	14,360
230	Other General and Administrative*** (Excluding Adult Day Services)	1,3	88,184	(11,416)	76,768
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 115,180	\$ (24,052)	\$ 91,128
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 372,232	\$ (24,539)	\$ 347,693
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation	1	180,773	2,712	183,485
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 553,005	\$ (21,827)	\$ 531,178

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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	
PELICAN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1467589614	5	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>RECLASSIFICATION OF REPORTED COSTS</u>										
1	4.1	230	4	2	230	3	Other General and Administrative	\$88,184	(\$2,712)	\$85,472 *
	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	180,773	2,712	183,485

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
PELICAN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1467589614		5
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
2	4	080	4	2	080	3	Home Operations and Maintenance 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	\$11,762	(\$487)	\$11,275
3	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	\$85,472	(\$8,704)	\$76,768
4	4.1	226	4	2	226	3	Quality Assurance Fees To adjust 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	\$26,996	(\$12,636)	\$14,360

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
PELICAN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1467589614		5
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No						
<u>ADJUSTMENT TO OTHER MATTERS</u>												
5	Not Reported			1	1	N/A	Share of Cost		\$0	\$303	\$303	
							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					