

**REPORT  
ON THE  
RATE SETTING AUDIT  
TEMPLE GARDEN HOMES IV  
TEMPLE CITY, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1114065802  
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: Celia Aviña  
Auditor: Ruth Kadomiya**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 17, 2013

Flora I. Pilpa, President  
Temple Garden Homes  
5120 Baldwin Avenue  
Temple City, CA 91780-3901

TEMPLE GARDEN HOMES IV  
NATIONAL PROVIDER IDENTIFIER (NPI) 1114065802  
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	\$	343,725	\$ 156.95
Net Audit Adjustment		<u>(50,199)</u>	<u>(22.92)</u>
Audited Cost/Cost Per Day	\$	<u>293,526</u>	\$ <u>134.03</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—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:**  
TEMPLE GARDEN HOMES IV

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

**Provider NPI:**  
1114065802

<b>SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY</b>	<b>AS REPORTED</b>	<b>AS AUDITED</b>
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>343,725</u>	\$ <u>293,526</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>156.95</u>	\$ <u>134.03</u>
<b>SHARE OF COST</b>		
1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
<b>OVERPAYMENTS</b>		
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:  
TEMPLE GARDEN HOMES IV

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

Provider NPI:  
1114065802

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		0		0
055	Real Property Taxes		8,160		8,160
060	Personal Property Taxes		0		0
065	Mortgage Interest	1	36,453	(36,453)	0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 44,613	\$ (36,453)	\$ 8,160
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	3,4	\$ 18,389	\$ (4,150)	\$ 14,239
085	Utilities		4,236		4,236
090	Client Transportation (excluding Adult Day Services)	5,6,7,8	6,030	(3,314)	2,716
095	Dietary	9,10,11,12,13	13,351	(5,220)	8,131
100	Personal Care and Laundry	14,15	5,101	(166)	4,935
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 47,107	\$ (12,850)	\$ 34,257
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 91,720	\$ (49,303)	\$ 42,417
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 16,466	\$	\$ 16,466
120	QMRP Fringe Benefits		2,776		2,776
125	Lead Salaries		53,800		53,800
130	Lead Fringe Benefits		9,071		9,071
135	Aides Salaries		51,575		51,575
140	Aides Fringe Benefits		8,695		8,695
145	Other Salaries		150		150
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 142,533	\$ 0	\$ 142,533

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
TEMPLE GARDEN HOMES IV

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

Provider NPI:  
1114065802

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 \$	\$	\$ 0		0
165	Speech Pathology Consultant		390		390
170	Physical Therapy Consultant		330		330
175	Occupational Therapy Consultant		390		390
180	Pharmacist Consultant		0		0
185	Nurse Consultant	16	39,637	2,045	41,682
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		675		675
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 41,422	\$ 2,045	\$ 43,467
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 23,255	\$	\$ 23,255
225	Administrative Fringe Benefits		3,920		3,920
226	Quality Assurance Fees (excluding Adult Day Services)	2	19,218	(2,118)	17,100
230	Other General and Administrative*** (Excluding Adult Day Services)	17,18,19	21,657	(823)	20,834
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,050	\$ (2,941)	\$ 65,109
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 343,725	\$ (50,199)	\$ 293,526
	<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		170,452		170,452
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 514,177	\$ (50,199)	\$ 463,978

Page 2 of 2

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

\*\*\* List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
TEMPLE GARDEN HOMES IV							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1114065802		19
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>ADJUSTMENTS TO REPORTED COSTS</b>										
1	4	65	4	2	65	2	Mortgage Interest To eliminate mortgage interest due to the lack of sufficient documentation 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$36,453	(\$36,453)	\$0
2	4.1	226	4	2	226	2	Quality Assurance Fees To adjust quality assurance expense to agree with the provider's supporting documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$19,218	(\$2,118)	\$17,100
	4	80	4	2	80	2	Home Operations and Maintenance	\$18,389		
3							To eliminate home maintenance expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)		(\$3,350)	
4							To eliminate house supplies expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)		(800) <u>(\$4,150)</u>	\$14,239
	4	90	4	2	90	2	Client Transportation	\$6,030		
5							To eliminate car insurance expense due to the lack of sufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		(\$1,018)	
6							To eliminate auto repair expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)		(664) <u>(\$1,682)</u>	\$4,348 *

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
TEMPLE GARDEN HOMES IV							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1114065802		19
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>											
	4	90	4	2	90	2	Client Transportation	*	\$4,348		
7							To eliminate gasoline expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)			(\$1,110)	
8							To eliminate auto registration expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)			<u>(522)</u> <u>(\$1,632)</u> \$2,716	
	4	95	4	2	95	2	Dietary		\$13,351		
9							To eliminate groceries expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)			(\$2,000)	
10							To eliminate plane fare and furniture expenses due to lack of documentation and not related to patient care. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)			(2,207)	
11							To eliminate luxury items due to lack of documentation and not related to patient care. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)			(181)	
12							To eliminate groceries expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413.9(c)(3) CMS Pub. 15-1, Sections 2300, 2304 and 2102.3 Welfare and Institutions Code, Section 14124.2(b)			<u>(187)</u> <u>(\$4,575)</u> \$8,776 *	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
TEMPLE GARDEN HOMES IV							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1114065802		19
Report References							Explanation of Audit Adjustments				
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>											
13	4	95	4	2	95	2	Dietary To eliminate Forest Lawn expense due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413.9(c)(3) CMS Pub. 15-1, Sections 2300, 2304 and 2102.3	*	\$8,776	(\$645)	\$8,131
	4	100	4	2	100	2	Personal Care and Laundry		\$5,101		
14							To eliminate medical supplies expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105			(\$75)	
15							To eliminate client's clothing due to the lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)			<u>(91)</u> <u>(\$166)</u>	\$4,935
16	4.1	185	4	2	185	2	Nurse Consultant To adjust the salary expense to agree with the provider's supporting documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$39,637	\$2,045	\$41,682
	4.1	230	4	2	230	2	Other General and Administrative		\$21,657		
17							To eliminate license and permit expense due to the of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 Welfare and Institutions Code, Section 14124.2(b)			(\$300)	
18							To eliminate reported continuing education expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413.9(c)(3) CMS Pub. 15-1, Sections 2300, 2304 and 2102.3 Welfare and Institutions Code, Section 14124.2(b)			(341)	
19							To eliminate lobbying expense as it does not relate to patient care. 413.9(c)(3) / CMS Pub. 15-1, Sections 2139.3 and 2102.3			<u>(182)</u> <u>(\$823)</u>	\$20,834
*Balance carried forward from prior/to subsequent adjustments											Page 3