REPORT
ON THE
RATE SETTING AUDIT

VICTORIA
RANCHO CUCAMONGA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1164558714

FISCAL PERIOD ENDED
DECEMBER 31, 2011

Audits Section—Rancho Cucamonga
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Julio M. Cueto
Audit Supervisor: Lucia Martinez
Auditor: Richard Cruz

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

July 16, 2013

David Hooyenga, President
Monte Vista Child Care Center, Inc.
13342 Victoria Street
Rancho Cucamonga, CA 91739

VICTORIA
NATIONAL PROVIDER IDENTIFIER (NPI) 1164558714
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	335,528	$	173.40
Net Audit Adjustment		(9,214)		(4.76)
Audited Cost/Cost Per Day	$	326,314	$	168.64

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 $2,775, which resulted from Medi-Cal overpayments

3. Audited Allocation of Home Office Cost

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.

If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

cc: Samantha Parola, CPA
Weibe & Associates
377 N. Central Avenue
Upland, CA 91786

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
VICTORIA

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

Provider NPI:
1164558714

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,935	1,935
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	1,935	1,935
5. Total Client Care Expenses (From Sch. 2)	$ 335,528	$ 326,314
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 173.40	$ 168.64
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 9)	$ NA	$ (2,775)
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VICTORIA

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

Provider NPI:
1164558714

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	1	$ 8,236	$ (152)	$ 8,084
050	Leases and Rentals				0
055	Real Property Taxes	2	1,347	(74)	1,273
060	Personal Property Taxes				0
065	Mortgage Interest	3	21,746	(13,482)	8,264
070	Property Insurance		1,292		1,292
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 32,621	$ (13,708)	$ 18,913
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4	$ 9,595	$ (154)	$ 9,441
085	Utilities	5	13,269	(117)	13,152
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		15,691		15,691
100	Personal Care and Laundry		432		432
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 38,987	$ (271)	$ 38,716
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 71,608	$ (13,979)	$ 57,629
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 14,179	$	$ 14,179
120	QMRP Fringe Benefits		2,691		2,691
125	Lead Salaries		16,115		16,115
130	Lead Fringe Benefits		3,059		3,059
135	Aides Salaries		111,200		111,200
140	Aides Fringe Benefits		21,106		21,106
145	Other Salaries		6,924		6,924
150	Other Fringe Benefits		1,314		1,314
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 176,588	$ 0	$ 176,588

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VICTORIA

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

Provider NPI:
1164558714

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 644	$	$ 644
165	Speech Pathology Consultant		683		683
170	Physical Therapy Consultant		1,620		1,620
175	Occupational Therapy Consultant		1,080		1,080
180	Pharmacist Consultant		761		761
185	Nurse Consultant		19		19
190	Psychologist Consultant		3,240		3,240
195	Physician Consultant		4,243		4,243
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 12,290	$ 0	$ 12,290
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$	$	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		20,191		20,191
230	Other General and Administrative*** (excluding Adult Day Services)	6-8	54,851	4,765	59,616
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 75,042	$ 4,765	$ 79,807
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 335,528	$ (9,214)	$ 326,314
	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)		$ 335,528	$ (9,214)	$ 326,314

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

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
VICTORIA	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1164558714	9

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
							ADJUSTMENTS TO REPORTED COSTS			
1	4	045	4	2	045	3	Depreciation and Amortization To adjust depreciation to agree with the provider's documentation. 42 CFR 413.20, 413.24, 413.50, and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302, and 2304	$8,236	($152)	$8,084
2	4	055	4	2	055	3	Real Property Taxes To adjust reported property tax expense to agree with the auditor's findings. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$1,347	($74)	$1,273
3	4	065	4	2	065	3	Mortgage Interest To adjust mortgage interest expense to agree with the provider's documentation. 42 CFR 413.20, 413.24, and 413.153 CMS Pub. 15-1, Sections 202.2, 2300, and 2304	$21,746	($13,482)	$8,264
4	4	080	4	2	080	3	Home Operations and Maintenance To eliminate reimbursement to the Victoria Trust Account due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$9,595	($154)	$9,441
5	4	085	4	2	085	3	Utilities To eliminate trash and garbage expenses applicable to a related facility. 42 CFR 413.17, 413.134(h), 413.20, and 413.24 CMS Pub. 15-1, Sections 1000, 2300, and 2304	$13,269	($117)	$13,152
6	4.1	230	4	2	230	3	Other General and Administrative To adjust liability insurance and surety bond expense to agree with the provider's supporting documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$54,851	$75	$54,926 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
VICTORIA	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1164558714	9

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
							ADJUSTMENTS TO REPORTED COSTS				
	4.1	230	4	2	230	3	Other General and Administrative	*	$54,926		
7							To adjust DPH license fees to agree with the provider's facility license renewal documents. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			($21)	
8							To adjust reported home office costs to agree with the Monte Vista Child Care Center, Inc. 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			4,711 $4,690	$59,616

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
VICTORIA	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1164558714	9

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
							ADJUSTMENT TO OTHER MATTERS			
9	Not Reported			1	1		Share of Cost To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed and for insufficient documentation. 42 CFR 413.5, 413.20, and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2409 CCR, Title 22, Sections 50786 and 51458.1	$0	$2,775	$2,775