

**REPORT
ON THE
RATE SETTING AUDIT**

**VILLA DE MARTIN JUDE HOMES, INC. - ARCHER I
ANAHEIM, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1194808261**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Margaret A. Varho
Audit Supervisor: Henry Igboke
Auditor: Alimata Coulibaly**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: July 9, 2013

Anicia Santos Lopez, Administrator
Villa De Martin De Jude Homes, Inc.
5245 Avenida De Kristine
Yorba Linda, CA 92887

VILLA DE MARTIN JUDE HOMES, INC. - ARCHER I
NATIONAL PROVIDER IDENTIFIER (NPI) 1194808261
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	\$	333,314		\$ 152.20
Net Audit Adjustment		<u>(43,847)</u>		<u>(20.02)</u>
Audited Cost/Cost Per Day	\$	<u>289,467</u>		\$ <u>132.18</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments

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 Rate Development Branch.

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
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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 95899-7413

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 95814-5005
(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—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
VILLA DE MARTIN JUDE HOMES, INC. - ARCHER I

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

Provider NPI:
1194808261

**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>333,314</u>	\$ <u>289,467</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>152.20</u>	\$ <u>132.18</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> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VILLA DE MARTIN JUDE HOMES, INC. - ARCHER I

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

Provider NPI:
1194808261

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	12	\$ 0	\$ 3,265	\$ 3,265
050	Leases and Rentals		0		0
055	Real Property Taxes		4,790		4,790
060	Personal Property Taxes		0		0
065	Mortgage Interest		19,953		19,953
070	Property Insurance	11	0	728	728
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,743	\$ 3,993	\$ 28,736
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 6,728	\$ (2,528)	\$ 4,200
085	Utilities	2	8,441	(442)	7,999
090	Client Transportation (excluding Adult Day Services)	6	10,614	(2,548)	8,066
095	Dietary	3,4	40,755	(5,894)	34,861
100	Personal Care and Laundry	5	7,083	(1,941)	5,142
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 73,621	\$ (13,353)	\$ 60,268
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 98,364	\$ (9,360)	\$ 89,004
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 20,748		\$ 20,748
120	QMRP Fringe Benefits		3,583		3,583
125	Lead Salaries		13,681		13,681
130	Lead Fringe Benefits		2,225		2,225
135	Aides Salaries		71,229		71,229
140	Aides Fringe Benefits		11,583		11,583
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 123,049	\$ 0	\$ 123,049

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VILLA DE MARTIN JUDE HOMES, INC. - ARCHER I

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

Provider NPI:
1194808261

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	13	\$ 55	\$ 330	\$ 385
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant	13	0	1,577	1,577
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant	13	190	190	380
185	Nurse Consultant		14,660		14,660
190	Psychologist Consultant	13	3,181	(2,581)	600
195	Physician Consultant	14	260	(260)	0
200	Recreational Consultant	13	583	(133)	450
205	Social Service Consultant	14	132	(132)	0
210	Other Consultant	13	6,868	(5,068)	1,800
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 25,929	\$ (6,077)	\$ 19,852
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 16,766	\$	\$ 16,766
225	Administrative Fringe Benefits		3,782		3,782
226	Quality Assurance Fees (excluding Adult Day Services)	10	19,641	(112)	19,529
230	Other General and Administrative*** (Excluding Adult Day Services)	7,8,9	45,783	(28,298)	17,485
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 85,972	\$ (28,410)	\$ 57,562
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 333,314	\$ (43,847)	\$ 289,467
	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)		\$ 333,314	\$ (43,847)	\$ 289,467

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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
VILLA DE MARTIN DE JUDE HOMES, INC. - ARCHER I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1194808261		14
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>ADJUSTMENTS TO REPORTED COSTS</u>										
1	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home maintenance repair expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$6,728	(\$2,528)	\$4,200 *
2	4	085	4	2	085	3	Utilities To adjust the reported utility expense not related to the audited period to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$8,441	(\$442)	\$7,999
3	4	095	4	2	095	3	Dietary To eliminate dietary expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$40,755	(\$5,073)	\$35,682 *
4	4	095	4	2	095	3	Dietary To eliminate dietary expense that belongs to another facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	* \$35,682	(\$821)	\$34,861
5	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care and laundry expense that belongs to another facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	\$7,083	(\$1,941)	\$5,142
6	4	090	4	2	090	3	Client Transportation To eliminate client transportation expense that belongs to another facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	\$10,614	(\$2,548)	\$8,066

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
VILLA DE MARTIN DE JUDE HOMES, INC. - ARCHER I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1194808261		14
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										
7	4.1	230	4	2	230	3	Other General and Administrative To eliminate office supplies expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$45,783	(\$4,000)	\$41,783 *
8	4.1	230	4	2	230	3	Other General and Administrative To eliminate office supplies expense that belongs to another facility. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2104.3	* \$41,783	(\$5,900)	\$35,883 *
9	4.1	230	4	2	230	3	Other General and Administrative To eliminate liability insurance expense that belongs to other facilities. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2104.3	* \$35,883	(\$18,398)	\$17,485
10	4.1	226	4	2	226	3	Quality Assurance Fees To adjust quality assurance fees to agree with the payments for the audit period. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2300 and 2304	\$19,641	(\$112)	\$19,529
11	4	070	4	2	070	3	Property Insurance To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Section 1011.5	\$0	\$728	\$728
12	4	045	4	2	045	3	Depreciation and Amortization To include depreciation expense as part of cost of ownership. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Section 1011.5	\$0	\$3,265	\$3,265

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
VILLA DE MARTIN DE JUDE HOMES, INC. - ARCHER I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1194808261		14
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										
13	4.1	160	4	2	160	3	Dietician Consultant	\$55	\$330	\$385
	4.1	170	4	2	170	3	Physical Therapy Consultant	0	1,577	1,577
	4.1	180	4	2	180	3	Pharmacist Consultant	190	190	380
	4.1	190	4	2	190	3	Psychologist Consultant	3,181	(2,581)	600
	4.1	200	4	2	200	3	Recreational Consultant	583	(133)	450
	4.1	210	4	2	210	3	Other Consultant	6,868	(5,068)	1,800
							To adjust the consultants expense to agree with the provider's records for the audit period. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
14	4.1	195	4	2	195	3	Physician Consultant	\$260	(\$260)	\$0
	4.1	205	4	2	205	3	Social Service Consultant	132	(132)	0
							To eliminate the consultants expense for services not provided during the audit period. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			