

**REPORT
ON THE
RATE SETTING AUDIT**

**VILLA DE MARTIN JUDE HOMES, INC. - ATLANTA
HOUSE
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. - ATLANTA HOUSE
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	\$	301,899		\$ 137.85
Net Audit Adjustment		<u>(168)</u>		<u>(.07)</u>
Audited Cost/Cost Per Day	\$	<u>301,731</u>		\$ <u>137.78</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.

Anicia Santos Lopez
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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. - ATLANTA HOUSE

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>301,899</u>	\$ <u>301,731</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>137.85</u>	\$ <u>137.78</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. - ATLANTA HOUSE

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	9	\$ 0	\$ 5,267	\$ 5,267
050	Leases and Rentals		0		0
055	Real Property Taxes		5,499		5,499
060	Personal Property Taxes		0		0
065	Mortgage Interest	8	19,231	(2,189)	17,042
070	Property Insurance	7	0	728	728
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,730	\$ 3,806	\$ 28,536
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,629	\$	\$ 3,629
085	Utilities	1	8,581	(520)	8,061
090	Client Transportation (excluding Adult Day Services)	5	10,749	(2,649)	8,100
095	Dietary	2, 3	38,021	(1,518)	36,503
100	Personal Care and Laundry	4	7,537	(1,187)	6,350
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 68,517	\$ (5,874)	\$ 62,643
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 93,247	\$ (2,068)	\$ 91,179
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 20,748	\$	\$ 20,748
120	QMRP Fringe Benefits		3,582		3,582
125	Lead Salaries		21,571		21,571
130	Lead Fringe Benefits		3,508		3,508
135	Aides Salaries		75,665		75,665
140	Aides Fringe Benefits		12,305		12,305
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 137,379	\$ 0	\$ 137,379

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VILLA DE MARTIN JUDE HOMES, INC. - ATLANTA HOUSE

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	11	\$ 0	\$ 165	\$ 165
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant	11	0	848	848
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant	11	190	285	475
185	Nurse Consultant		14,660		14,660
190	Psychologist Consultant	11	18	232	250
195	Physician Consultant	12	260	(260)	0
200	Recreational Consultant	11	369	13	382
205	Social Service Consultant	12	132	(132)	0
210	Other Consultant	11	1,690	1,763	3,453
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,319	\$ 2,914	\$ 20,233
	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	19,655	86	19,741
230	Other General and Administrative*** (Excluding Adult Day Services)	6	13,751	(1,100)	12,651
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 53,954	\$ (1,014)	\$ 52,940
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 301,899	\$ (168)	\$ 301,731
	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)		\$ 301,899	\$ (168)	\$ 301,731

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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. - ATLANTA HOUSE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1194808261		12
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	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	\$8,581	(\$520)	\$8,061
2	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	\$38,021	(\$1,200)	\$36,821 *
3	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	* \$36,821	(\$318)	\$36,503
4	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care expense that belongs to another facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	\$7,537	(\$1,187)	\$6,350
5	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	\$10,749	(\$2,649)	\$8,100
6	4.1	230	4	2	230	3	Other General and Administrative To eliminate other general and administrative expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$13,751	(\$1,100)	\$12,651

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
VILLA DE MARTIN DE JUDE HOMES, INC. - ATLANTA HOUSE				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1194808261		12
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>										
7	4	070	4	2	070	3	Property Insurance To include cost of ownership in lieu of related party lease expense. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Section 1011.5	\$0	\$728	\$728
8	4	065	4	2	065	3	Mortgage Interest To include cost of ownership in lieu of related party lease expense. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Section 1011.5	\$19,231	(\$2,189)	\$17,042
9	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	\$5,267	\$5,267
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	\$19,655	\$86	\$19,741
11	4.1	160	4	2	160	3	Dietician Consultant	\$0	\$165	\$165
	4.1	170	4	2	170	3	Physical Therapy Consultant	0	848	848
	4.1	180	4	2	180	3	Pharmacist Consultant	190	285	475
	4.1	190	4	2	190	3	Psychologist Consultant	18	232	250
	4.1	200	4	2	200	3	Recreational Consultant	369	13	382
	4.1	210	4	2	210	3	Other Consultant 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	1,690	1,763	3,453

Provider Name							Fiscal Period			Provider NPI		Adjustments
VILLA DE MARTIN DE JUDE HOMES, INC. - ATLANTA HOUSE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1194808261		12
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>ADJUSTMENT TO REPORTED COSTS</u>												
12	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					