

**REPORT  
ON THE  
RATE SETTING AUDIT**

**WINTER HAVEN HOME  
FILLMORE, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1154392181**

**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: Tricia Sugioka**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 28, 2013

Matthew Steinorth  
Executive Director  
Epiphany Care Homes, Inc.  
1331 Doris Avenue  
Oxnard, California 93030

WINTER HAVEN HOME  
NATIONAL PROVIDER IDENTIFIER (NPI) 1154392181  
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	\$	370,411	\$ 170.78
Net Audit Adjustment		(50,076)	(23.23)
Audited Cost/Cost Per Day	\$	<u>320,335</u>	\$ <u>147.55</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.

Matthew Steinorth  
Page 2

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:**  
WINTER HAVEN HOME

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

**Provider NPI:**  
1154392181

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj 9)	2,169	2,171
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,169</u>	<u>2,171</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>370,411</u>	\$ <u>320,335</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>170.78</u>	\$ <u>147.55</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
--	--------------	-------------

**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:  
WINTER HAVEN HOME

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

Provider NPI:  
1154392181

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	2	31,039	(31,039)	0
055	Real Property Taxes	3	5,157	(1,935)	3,222
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 36,196	\$ (32,974)	\$ 3,222
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	4	\$ 4,609	\$ (652)	\$ 3,957
085	Utilities		11,399		11,399
090	Client Transportation (excluding Adult Day Services)		5		5
095	Dietary		13,652		13,652
100	Personal Care and Laundry		886		886
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 30,551	\$ (652)	\$ 29,899
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 66,747	\$ (33,626)	\$ 33,121
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 19,120	\$	\$ 19,120
120	QMRP Fringe Benefits		1,676		1,676
125	Lead Salaries		34,058		34,058
130	Lead Fringe Benefits		2,986		2,986
135	Aides Salaries		109,809		109,809
140	Aides Fringe Benefits		9,628		9,628
145	Other Salaries		10,675		10,675
150	Other Fringe Benefits		936		936
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 188,888	\$ 0	\$ 188,888

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
WINTER HAVEN HOME

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

Provider NPI:  
1154392181

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		\$ 1,200	\$	\$ 1,200
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant	5	1,785	(203)	1,582
180	Pharmacist Consultant		600		600
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		2,950		2,950
200	Recreational Consultant		1,225		1,225
205	Social Service Consultant		400		400
210	Other Consultant	6	50	(50)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,210	\$ (253)	\$ 7,957
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)	7	20,930	(6,005)	14,925
230	Other General and Administrative*** (Excluding Adult Day Services)	1,8	85,636	(10,192)	75,444
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 106,566	\$ (16,197)	\$ 90,369
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 370,411	\$ (50,076)	\$ 320,335
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation	1	36,055	212	36,267
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 406,466	\$ (49,864)	\$ 356,602

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		
WINTER HAVEN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1154392181	9		
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>RECLASSIFICATION OF REPORTED COSTS</u></b>											
1	4.1	230	4	2	230	3	Other General and Administrative	\$85,636	(\$212)	\$85,424 *	
	4.1	241	4	2	241	3	Adult Day Services and Related Transportatio	36,055	212	36,267	
							To reclassify RC Admin fees expense to the appropriate cost center for proper cost determination				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8				

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
WINTER HAVEN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1154392181		9
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
2	4	050	4	2	050	3	Leases and Rentals To eliminate lease expense from a related organization. 42 CFR 413.17, 413.134(h), 413.20, and 413.24 CMS Pub. 15-1, Sections 1000, 2300, and 2304	\$31,039	(\$31,039)	\$0
3	4	055	4	2	055	3	Real Property Taxes To adjust property taxes to agree with the property tax statements. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$5,157	(\$1,935)	\$3,222
4	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	\$4,609	(\$652)	\$3,957
5	4.1	175	4	2	175	3	Occupational Therapy Consultant To adjust occupational therapy expense to agree with the contract rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,785	(\$203)	\$1,582
6	4.1	210	4	2	210	3	Other Consultant To eliminate dental costs not included in the routine rate. CMS Pub.15-1, Section 2104.4 CCR, Title 22, 51510.2	\$50	(\$50)	\$0
7	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	\$20,930	(\$6,005)	\$14,925

Provider Name				Fiscal Period				Provider NPI		Adjustments
WINTER HAVEN HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1154392181		9
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>										
8	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	\$85,424	(\$9,980)	\$75,444
*Balance carried forward from prior/to subsequent adjustments										

Provider Name			Fiscal Period				Provider NPI		Adjustments	
WINTER HAVEN HOME			JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1154392181		9	
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 PATIENT DAYS</u>										
9	2	3	1	1	1	Medi-Cal Client Days To adjust patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	2,169	2	2,171	