

**REPORT
ON THE
RATE SETTING AUDIT**

**UNITED CARE HOMES – PURE JOY I
LA MIRADA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1992993786**

**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: Lan Nguyen
Auditor: Vanessa Hu**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: July 10, 2013

Susana Tubianosa, Administrator
United Care Homes – Pure Joy I
1982 Camwood Avenue
Rowland Heights, CA 91748

UNITED CARE HOMES – PURE JOY I
NATIONAL PROVIDER IDENTIFIER (NPI) 1992993786
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	\$	362,216	\$ 165.85
Net Audit Adjustment		<u>(46,776)</u>	<u>(21.42)</u>
Audited Cost/Cost Per Day	\$	<u>315,440</u>	\$ <u>144.43</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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 Medi-Cal Benefits, Waiver Analysis and Rates 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.

Susana Tubianosa
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If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

(Original signed by Margaret A. 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:
UNITED CARE HOMES - PURE JOY I

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

Provider NPI:
1992993786

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,184	2,184
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,184</u>	<u>2,184</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>362,216</u>	\$ <u>315,440</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>165.85</u>	\$ <u>144.43</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>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:
UNITED CARE HOMES - PURE JOY I

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

Provider NPI:
1992993786

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	\$ 3,819	\$ (1,843)	\$ 1,976
050	Leases and Rentals				0
055	Real Property Taxes		4,944		4,944
060	Personal Property Taxes				0
065	Mortgage Interest	2	17,626	(17,626)	0
070	Property Insurance	3	2,164	(2,164)	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,553	\$ (21,633)	\$ 6,920
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4,5,6,9	\$ 29,207	\$ (9,580)	\$ 19,627
085	Utilities	9	6,594	(215)	6,379
090	Client Transportation (excluding Adult Day Services)	9	6,199	(3,429)	2,770
095	Dietary	7	13,515	(408)	13,107
100	Personal Care and Laundry	9	2,070	(984)	1,086
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 57,585	\$ (14,616)	\$ 42,969
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 86,138	\$ (36,249)	\$ 49,889
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,400	\$	\$ 14,400
120	QMRP Fringe Benefits				0
125	Lead Salaries		40,298		40,298
130	Lead Fringe Benefits	9	5,886	(381)	5,505
135	Aides Salaries		91,530		91,530
140	Aides Fringe Benefits	9	14,253	(865)	13,388
145	Other Salaries		18,626		18,626
150	Other Fringe Benefits	9	2,721	(176)	2,545
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 187,714	\$ (1,422)	\$ 186,292

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
UNITED CARE HOMES - PURE JOY I

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

Provider NPI:
1992993786

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,177	\$	\$ 1,177
165	Speech Pathology Consultant		2,145		2,145
170	Physical Therapy Consultant		546		546
175	Occupational Therapy Consultant		549		549
180	Pharmacist Consultant				0
185	Nurse Consultant		11,575		11,575
190	Psychologist Consultant	8	1,652	(180)	1,472
195	Physician Consultant				0
200	Recreational Consultant		1,320		1,320
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,964	\$ (180)	\$ 18,784
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	9	\$ 25,095	\$ (25,095)	\$ 0
225	Administrative Fringe Benefits	9	4,026	(4,026)	0
226	Quality Assurance Fees (excluding Adult Day Services)		19,215		19,215
230	Other General and Administrative*** (Excluding Adult Day Services)	9	21,064	20,196	41,260
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 69,400	\$ (8,925)	\$ 60,475
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 362,216	\$ (46,776)	\$ 315,440
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		161,623		161,623
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 523,839	\$ (46,776)	\$ 477,063

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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
UNITED CARE HOMES - PURE JOY I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1992993786		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				
ADJUSTMENTS TO REPORTED COSTS										
1	4	045	4	2	045	3	Depreciation and Amortization To eliminate nonallowable depreciation expense for assets subject to DEFRA/BBA. 42 CFR 413.134 / CMS Pub. 15-1, Section 104.10	\$3,819	(\$1,843)	\$1,976
2	4	065	4	2	065	3	Mortgage Interest To eliminate nonallowable interest expense for assets subject to DEFRA/BBA and for insufficient documentation. 42 CFR 413.134, 413.20, and 413.24 CMS Pub. 15-1, Sections 104.10, 2300, and 2304	\$17,626	(\$17,626)	\$0
3	4	070	4	2	070	3	Property Insurance To eliminate property insurance expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$2,164	(\$2,164)	\$0
4	4	080	4	2	080	3	Home Operations and Maintenance To eliminate supplies expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$29,207	(\$500)	\$28,707 *
5	4	080	4	2	080	3	Home Operations and Maintenance To capitalize assets expense and to include depreciation expense on assets. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300	* \$28,707	(\$5,378)	\$23,329 *
6	4	080	4	2	080	3	Home Operations and Maintenance To include medical supplies expense applicable to the facility for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$23,329	\$113	\$23,442 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
UNITED CARE HOMES - PURE JOY I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1992993786		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					
ADJUSTMENTS TO REPORTED COSTS											
7	4	095	4	2	095	3	Dietary To eliminate food expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$13,515	(\$408)	\$13,107	
8	4.1	190	4	2	190	3	Psychologist Consultant To eliminate services not included in the routine rate and due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b) CCR, Title 22, Section 51510.2	\$1,652	(\$180)	\$1,472	
9	4	080	4	2	080	3	Home Operations and Maintenance	*	\$23,442	(\$3,815)	\$19,627
	4	085	4	2	085	3	Utilities		6,594	(215)	6,379
	4	090	4	2	090	3	Client Transportation		6,199	(3,429)	2,770
	4	100	4	2	100	3	Personal Care and Laundry		2,070	(984)	1,086
	4.1	130	4	2	130	3	Lead Fringe Benefits		5,886	(381)	5,505
	4.1	140	4	2	140	3	Aides Fringe Benefits		14,253	(865)	13,388
	4.1	150	4	2	150	3	Other Fringe Benefits		2,721	(176)	2,545
	4.1	220	4	2	220	3	Administrative Salaries		25,095	(25,095)	0
	4.1	225	4	2	225	3	Administrative Fringe Benefits		4,026	(4,026)	0
	4.1	230	4	2	230	3	Other General and Administrative To adjust reported home office costs to agree with the United Care Homes, 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		21,064	20,196	41,260

*Balance carried forward from prior/to subsequent adjustments