

**REPORT
ON THE
RATE SETTING AUDIT
TEMPLE GARDEN HOMES III
TEMPLE CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1083752810
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: Celia Aviña
Auditor: Kit Chao**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 27, 2013

Flora I. Pilpa, President
Temple Garden Homes
5120 Baldwin Avenue
Temple City, California 91780

PROVIDER: TEMPLE GARDEN HOMES III
PROVIDER NPI: 1083752810
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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, patient days, and use of share of cost 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	\$	375,420	\$ 171.42
Net Audit Adjustment		(51,775)	(23.64)
Audited Cost/Cost Per Day	\$	<u>323,645</u>	\$ <u>147.78</u>

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 \$1,483, which resulted from Medi-Cal overpayments

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.

Flora I. Pilpa
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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:
TEMPLE GARDEN HOMES III

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

Provider NPI:
1083752810

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>375,420</u>	\$ <u>323,645</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>171.42</u>	\$ <u>147.78</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 11)	\$ <u>NA</u>	\$ <u>1,483</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:
TEMPLE GARDEN HOMES III

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

Provider NPI:
1083752810

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		\$ 0	\$	\$ 0
050	Leases and Rentals		0		0
055	Real Property Taxes		5,761		5,761
060	Personal Property Taxes		0		0
065	Mortgage Interest	8	37,978	(37,978)	0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 43,739	\$ (37,978)	\$ 5,761
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	6	\$ 21,780	\$ (323)	\$ 21,457
085	Utilities	7	6,813	519	7,332
090	Client Transportation (excluding Adult Day Services)	1	7,476	(7,476)	0
095	Dietary	3,4,5	12,269	(994)	11,275
100	Personal Care and Laundry		4,124		4,124
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 52,462	\$ (8,274)	\$ 44,188
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 96,201	\$ (46,252)	\$ 49,949
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,152	\$	\$ 12,152
120	QMRP Fringe Benefits		2,106		2,106
125	Lead Salaries		70,854		70,854
130	Lead Fringe Benefits		12,278		12,278
135	Aides Salaries		46,450		46,450
140	Aides Fringe Benefits		8,049		8,049
145	Other Salaries		2,247		2,247
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 154,136	\$ 0	\$ 154,136

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TEMPLE GARDEN HOMES III

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

Provider NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 150	\$	\$ 150
165	Speech Pathology Consultant		390		390
170	Physical Therapy Consultant	2	330	(225)	105
175	Occupational Therapy Consultant		390		390
180	Pharmacist Consultant		0		0
185	Nurse Consultant	9	43,334	(2,736)	40,598
190	Psychologist Consultant		0		0
195	Physician Consultant		225		225
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant	2	600	(600)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 45,419	\$ (3,561)	\$ 41,858
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 32,215	\$	\$ 32,215
225	Administrative Fringe Benefits		5,582		5,582
226	Quality Assurance Fees (excluding Adult Day Services)	10	23,498	(1,962)	21,536
230	Other General and Administrative*** (Excluding Adult Day Services)		18,369		18,369
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 79,664	\$ (1,962)	\$ 77,702
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 375,420	\$ (51,775)	\$ 323,645
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		186,903		186,903
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 562,323	\$ (51,775)	\$ 510,548

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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		
TEMPLE GARDEN HOMES III							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083752810	11		
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	090	4	2	090	2	Client Transportation To eliminate transportation expenses due to insufficient documentatio 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$7,476	(\$7,476)	\$0	
2	4.1	195	4	2	195	2	Physician Consultant	\$225	(\$225)	\$0	
	4.1	210	4	2	210	2	Other Consultant To eliminate consultant expenses 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)	600	(600)	0	
3	4	095	4	2	095	2	Dietary To eliminate plane fare and furniture expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300 and 2304	\$12,269	(\$551)	\$11,718 *	
4	4	095	4	2	095	2	Dietary To eliminate luxury items expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300 and 2304	* \$11,718	(\$181)	\$11,537 *	
5	4	095	4	2	095	2	Dietary To eliminate groceries expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413.9(c)(9) CMS Pub. 15-1, Sections 2102.3, 2300 and 2304	* \$11,537	(\$262)	\$11,275	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
TEMPLE GARDEN HOMES III							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083752810		11
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>										
6	4	080	4	2	080	2	Home Operations & Maintenance To eliminate home supplies expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$21,780	(\$323)	\$21,457
7	4	085	4	2	085	2	Utilities To include utility expense based on the invoice submitted. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$6,813	\$519	\$7,332
8	4	065	4	2	065	2	Mortgage Interest To eliminate mortgage interest expense due to lack of sufficient documentations. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$37,978	(\$37,978)	\$0
9	4.1	185	4	2	185	2	Nurse Consultant To adjust home office costs to agree with the filed Temple Gardens Homes, Inc. Home Office Cost Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	\$43,334	(\$2,736)	\$40,598
10	4.1	226	4	2	226	2	Quality Assurance Fees To adjust provider's quality assurance fees adjustment to agree with the invoices submitted. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$23,498	(\$1,962)	\$21,536

Provider Name				Fiscal Period			Provider NPI		Adjustments	
TEMPLE GARDEN HOMES III				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1083752810		11	
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 OTHER MATTERS</u>										
11	Not Reported			1	1		Overpayment To recover overpayments for overstated Medi-Cal patient days. 42 CFR 433.139, 413.20 and 413.24 and 431.07 CMS Pub. 15-1, Section 2409 CCR, Title 22, Section 51458.1	\$0	\$1,483	\$1,483