REPORT
ON THE
RATE SETTING AUDIT

TUPAZ HOME 7
SAN JOSE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1841401213

FISCAL PERIOD ENDED
DECEMBER 31, 2011

Audits Section - Richmond
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Louise Wong
Audit Supervisor: Matthew Moy
Auditor: Mandy Wu

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Rosario Tupaz
Owner / Administrator
Tupaz Homes, LLC
1305 N. Bascom Avenue, Suite J
San Jose, CA 95128

TUPAZ HOME 7
NATIONAL PROVIDER IDENTIFIER (NPI) 1841401213
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	381,921	$	175.19
Net Audit Adjustment		(16,252)		(7.45)
Audited Cost/Cost Per Day	$	365,669	$	167.74

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 $14,804, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and

other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement 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:

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
TUPAZ HOME 7

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

Provider NPI:
1841401213

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,180	2,180
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	2,180	2,180
5. Total Client Care Expenses (From Sch. 2)	$ 381,921	$ 365,669
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	$ 175.19	$ 167.74
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Medi-Cal Overpayments (Adj 5)	$ 0	$ 14,804
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 14,804

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 7

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

Provider NPI:
1841401213

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		$ 4,841	$ 0	$ 4,841
050	Leases and Rentals		19,000	0	19,000
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 23,841	$ 0	$ 23,841
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	$ 31,518	$ (606)	$ 30,912
085	Utilities		12,741	0	12,741
090	Client Transportation (excluding Adult Day Services)	2	1,940	(589)	1,351
095	Dietary		21,359	0	21,359
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 67,558	$ (1,195)	$ 66,363
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 91,399	$ (1,195)	$ 90,204
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 13,673	$ 0	$ 13,673
120	QMRP Fringe Benefits		2,014	0	2,014
125	Lead Salaries		33,528	0	33,528
130	Lead Fringe Benefits		4,940	0	4,940
135	Aides Salaries		111,079	0	111,079
140	Aides Fringe Benefits		16,365	0	16,365
145	Other Salaries		13,190	0	13,190
150	Other Fringe Benefits		1,943	0	1,943
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 196,732	$ 0	$ 196,732

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 7

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

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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		$ 1,299	$ 0	$ 1,299
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		57	0	57
175	Occupational Therapy Consultant		1,441	0	1,441
180	Pharmacist Consultant		243	0	243
185	Nurse Consultant				0
190	Psychologist Consultant		1,228	0	1,228
195	Physician Consultant		8,344	0	8,344
200	Recreational Consultant		325	0	325
205	Social Service Consultant				0
210	Other Consultant		1,050	0	1,050
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 13,987	$ 0	$ 13,987
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$	$	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		25,395	0	25,395
230	Other General and Administrative*** (Excluding Adult Day Services)	3, 4	54,408	(15,057)	39,351
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 79,803	$ (15,057)	$ 64,746
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 381,921	$ (16,252)	$ 365,669
	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)		$ 381,921	$ (16,252)	$ 365,669

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
TUPAZ HOME 7	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1841401213	5

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
1	4	080	4	2	080	3	Home Operations and Maintenance To adjust home operation and maintenance expense due to insufficie documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$31,518	($606)	$30,912
2	4	090	4	2	090	3	Client Transportation To adjust vehicle repair and maintenance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$1,940	($589)	$1,351
3	4.1	230	4	2	230	3	Other General and Administrative To eliminate owner compensation due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$54,408	($10,534)	$43,874 *
4	4.1	230	4	2	230	3	Other General and Administrative * To adjust reported home office costs to agree with the Tupaz Homes, LLC 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	$43,874	($4,523)	$39,351

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
TUPAZ HOME 7	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1841401213	5

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO OTHER MATTERS			
5	Not Reported			1	1	2	Medi-Cal Overpayments To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	$0	$14,804	$14,804