

**REPORT
ON THE
RATE SETTING AUDIT**

**AHWAHNEE CARE HOMES, INC. – MEADOWS (619)
AHWAHNEE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1295832665**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**Audits Section—Fresno
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Michael Harrold
Audit Supervisor: Linda King
Auditor: John Abdallah**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 05, 2013

Leslie Stevens, Administrator
Ahwahnee Care Homes, Inc.
P.O. Box 346
42339 Lulang Lane
Ahwahnee, CA 93601

AHWAHNEE CARE HOMES, INC. – MEADOWS (619)
NATIONAL PROVIDER IDENTIFIER (NPI) 1295832665
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	\$	425,208	\$ 194.16
Net Audit Adjustment		<u>(50,052)</u>	<u>(22.86)</u>
Audited Cost/Cost Per Day	\$	<u>375,156</u>	\$ <u>171.30</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. 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.

Leslie Stevens
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed By

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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

Provider:
AHWAHNEE CARE HOMES, INC. - MEADOWS (619)

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

Provider NPI:
1295832665

**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>425,208</u>	\$ <u>375,156</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>194.16</u>	\$ <u>171.30</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:

AHWAHNEE CARE HOMES, INC. - MEADOWS (619)

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1295832665

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	2, 4, 13	\$ 8,242	\$ (2,945)	\$ 5,297
050	Leases and Rentals		0	0	0
055	Real Property Taxes	14	2,301	(257)	2,044
060	Personal Property Taxes		0	0	0
065	Mortgage Interest	14	3,430	(385)	3,045
070	Property Insurance		0	0	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 13,973	\$ (3,587)	\$ 10,386
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	5-7	\$ 13,439	\$ (429)	\$ 13,010
085	Utilities	15	9,756	(1,093)	8,663
090	Client Transportation (excluding Adult Day Services)	8-9	3,130	(1,338)	1,792
095	Dietary	1, 12	24,699	(3,934)	20,765
100	Personal Care and Laundry	1, 14	570	1,377	1,947
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 51,594	\$ (5,417)	\$ 46,177
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 65,567	\$ (9,004)	\$ 56,563
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 15,225	\$ 0	\$ 15,225
120	QMRP Fringe Benefits	3	4,604	(114)	4,490
125	Lead Salaries	3	61,701	(2,400)	59,301
130	Lead Fringe Benefits	3	19,546	722	20,268
135	Aides Salaries	3	139,965	(15,686)	124,279
140	Aides Fringe Benefits	3	45,923	(12,674)	33,249
145	Other Salaries	3	11,954	(1,691)	10,263
150	Other Fringe Benefits	3	3,380	(354)	3,026
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 302,298	\$ (32,197)	\$ 270,101

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
AHWAHNEE CARE HOMES, INC. - MEADOWS (619)

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

Provider NPI:
1295832665

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	10	\$ 2,608	\$ (564)	\$ 2,044
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant	3	171	50	221
175	Occupational Therapy Consultant		276	0	276
180	Pharmacist Consultant		0	0	0
185	Nurse Consultant		0	0	0
190	Psychologist Consultant		0	0	0
195	Physician Consultant		0	0	0
200	Recreational Consultant	11	420	(60)	360
205	Social Service Consultant		0	0	0
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 3,475	\$ (574)	\$ 2,901
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$ 0	\$ 0
225	Administrative Fringe Benefits		0	0	0
226	Quality Assurance Fees (excluding Adult Day Services)		19,861	0	19,861
230	Other General and Administrative*** (Excluding Adult Day Services)	2, 14	34,007	(8,277)	25,730
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 53,868	\$ (8,277)	\$ 45,591
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 425,208	\$ (50,052)	\$ 375,156
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$ 0	\$ 0
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 425,208	\$ (50,052)	\$ 375,156

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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
AHWAHNEE CARE HOMES, INC. - MEADOWS (619)							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1295832665		15
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>RECLASSIFICATIONS OF REPORTED COSTS</u>										
1	4	095	4	2	095	3	Dietary	\$24,699	(\$1,441)	\$23,258 *
	4	100	4	2	100	3	Personal Care and Laundry To reclassify drug expenses 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	570	1,441	2,011 *
2	4.1	230	4	2	230	3	Other General and Administrative	\$34,007	(\$4,845)	\$29,162 *
	4	045	4	2	045	3	Depreciation and Amortization To reclassify equipment depreciation 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	8,242	4,845	13,087 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
AHWAHNEE CARE HOMES, INC. - MEADOWS (619)							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1295832665		15
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				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
3	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$4,604	(\$114)	\$4,490
	4.1	125	4	2	125	3	Lead Salaries	61,701	(2,400)	59,301
	4.1	130	4	2	130	3	Lead Fringe Benefits	19,546	722	20,268
	4.1	135	4	2	135	3	Aides Salaries	139,965	(15,686)	124,279
	4.1	140	4	2	140	3	Aides Fringe Benefits	45,923	(12,674)	33,249
	4.1	145	4	2	145	3	Other Salaries	11,954	(1,691)	10,263
	4.1	150	4	2	150	3	Other Fringe Benefits	3,380	(354)	3,026
	4.1	170	4	2	170	3	Physical Therapy Consultant	171	50	221
							To adjust salaries and benefits to agree with the payroll and benefits records and reflect the audited day program cost. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			
4	4	045	4	2	045	3	Depreciation and Amortization	* \$13,087	(\$2,945)	\$10,142 *
							To adjust depreciation to agree with the prior year's audited depreciation expense and eliminate the day program expense. 42 CFR 413.20, 413.24 and 413.134 CMS Pub. 15-1, Sections 102, 2300 and 2304			
	4	080	4	2	080	3	Home Operations and Maintenance	\$13,439		
5							To expense assets which were not capitalized. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$1,558	
6							To eliminate home expenses due to insufficient/lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		(482)	
7							To adjust the day program expenses. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		<u>(1,505)</u> (\$429)	\$13,010

*Balance carried forward from prior/to subsequent adjustments

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AHWAHNEE CARE HOMES, INC. - MEADOWS (619)							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1295832665		15
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				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
	4	090	4	2	090	3	Client Transportation	\$3,130		
8							To eliminate travel expenses due to insufficient documentation or not related to client care. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2105, 2300 and 2304 W&I Code 14124.2(b)		(\$312)	
9							To include the facilities share of vehicle maintenance expense. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		<u>(1,026)</u> (\$1,338)	\$1,792
10	4.1	160	4	2	160	3	Dietician Consultant To reconcile the reported expenses to agree with the vendor invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$2,608	(\$564)	\$2,044
11	4.1	200	4	2	200	3	Recreational Consultant To reconcile the reported expenses to agree with the vendor invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$420	(\$60)	\$360
12	4	095	4	2	095	3	Dietary To adjust the day program expenses. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$23,258	(\$2,493)	\$20,765

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
AHWAHNEE CARE HOMES, INC. - MEADOWS (619)							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1295832665	15		
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					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
13	4	045	4	2	045	3	Depreciation and Amortization To eliminate the equipment depreciation expense reported twice. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$10,142	(\$4,845)	\$5,297
14	4	055	4	2	055	3	Real Property Taxes		\$2,301	(\$257)	\$2,044
	4	065	4	2	065	3	Mortgage Interest		3,430	(385)	3,045
	4	100	4	2	100	3	Personal Care and Laundry	*	2,011	(64)	1,947
	4.1	230	4	2	230	3	Other General and Administrative To adjust day program expenses to agree with the provider's records and prior year audit methodology. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	29,162	(3,432)	25,730
15	4	085	4	2	085	3	Utilities To adjust the day program expenses. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$9,756	(\$1,093)	\$8,663

*Balance carried forward from prior/to subsequent adjustments