

**REPORT
ON THE
RATE SETTING AUDIT**

**ALPINE HOME I
PARADISE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1154332302**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Gary Diffenderffer
Auditor: Janis Nelsen**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 20, 2013

Robert Carli, Owner/Administrator
Alpine Home I
5577 Carli Court
Paradise, CA 95969

ALPINE HOME I
NATIONAL PROVIDER IDENTIFIER (NPI) 1154332302
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	\$	409,146.00		\$ 190.39
Net Audit Adjustment		<u>(3,796.00)</u>		<u>(1.77)</u>
Audited Cost/Cost Per Day	\$	<u>405,350.00</u>		\$ <u>188.62</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.

Robert Carli, Owner/Administrator
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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—Sacramento at (916) 650-6994.

Original Signed By

Robert G. Kwick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
ALPINE HOME I

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

Provider NPI:
1154332302

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,149	2,149
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,149</u>	<u>2,149</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>409,146</u>	\$ <u>405,350</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>190.39</u>	\$ <u>188.62</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> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ALPINE HOME I

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

Provider NPI:
1154332302

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		\$ 6,661	\$	\$ 6,661
050	Leases and Rentals	5, 6	816	(44)	772
055	Real Property Taxes		1,487		1,487
060	Personal Property Taxes	5		34	34
065	Mortgage Interest		535		535
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 9,499	\$ (10)	\$ 9,489
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,713	\$	\$ 6,713
085	Utilities		8,541		8,541
090	Client Transportation (excluding Adult Day Services)		2,267		2,267
095	Dietary		6,871		6,871
100	Personal Care and Laundry		5,110		5,110
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 29,502	\$ 0	\$ 29,502
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 39,001	\$ (10)	\$ 38,991
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 13,082	\$	\$ 13,082
120	QMRP Fringe Benefits		3,718		3,718
125	Lead Salaries		88,680		88,680
130	Lead Fringe Benefits	3	23,731	(319)	23,412
135	Aides Salaries	3	117,835	(100)	117,735
140	Aides Fringe Benefits	3	36,252	(866)	35,386
145	Other Salaries		1,934		1,934
150	Other Fringe Benefits		573		573
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 285,805	\$ (1,285)	\$ 284,520

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ALPINE HOME I

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

Provider NPI:
1154332302

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,215	\$	\$ 1,215
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,730		2,730
175	Occupational Therapy Consultant		1,935		1,935
180	Pharmacist Consultant		300		300
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		2,340		2,340
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant	4	2,275	(2,275)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,795	\$ (2,275)	\$ 8,520
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 23,145	\$	\$ 23,145
225	Administrative Fringe Benefits	3	9,044	(226)	8,818
226	Quality Assurance Fees (excluding Adult Day Services)		22,108		22,108
230	Other General and Administrative*** (Excluding Adult Day Services)		19,248		19,248
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 73,545	\$ (226)	\$ 73,319
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 409,146	\$ (3,796)	\$ 405,350
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services	4	\$	\$ 2,275	\$ 2,275
241	Adult Day Services and Related Transportation		86,228		86,228
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 495,374	\$ (1,521)	\$ 493,853

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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
ALPINE HOME I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1154332302		6
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				
MEMORANDUM ADJUSTMENTS										
1	4.1	245	4	2	245	1	Total Facility Expenses Page 4.1, Line 245, Column 4, did not foot. Reported and correct total amount is \$489,426 and \$495,374, respectively, a variance of \$5,948.	\$489,426	\$5,948	\$495,374
2							Reported line numbers 90, 95, 100, and 105 are recognized as line numbers 80, 85, 90, and 95, respectively, on the audit report.			

Provider Name			Fiscal Period				Provider NPI		Adjustments	
ALPINE HOME I			JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1154332302		6	
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				
RECONCILIATION OF THE PROVIDER'S RECORDS TO THE AUDIT REPORT										
3	4.1	130	4	2	130	3	Lead Fringe Benefits	\$23,731	(\$319)	\$23,412
	4.1	135	4	2	135	3	Aides Salaries	117,835	(100)	117,735
	4.1	140	4	2	140	3	Aides Fringe Benefits	36,252	(866)	35,386
	4.1	225	4	2	225	3	Administrative Fringe Benefits	9,044	(226)	8,818
							To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

Provider Name							Fiscal Period	Provider NPI		Adjustments
ALPINE HOME I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1154332302		6
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>										
4	4.1	210	4	2	210	3	Other Consultant	\$2,275	(\$2,275)	\$0
	4.1	240	4	2	240	3	Non-Program Services	0	2,275	2,275
							To reclassify other consultant expenses for massage therapy services, not covered by the payment rate, 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 CCR, Title 22, Section 51510.3			
5	4	50	4	2	50	3	Leases and Rentals	\$816	(\$34)	\$782 *
	4	60	4	2	60	3	Personal Property Tax	0	34	34
							To reclassify personal property tax 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			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
ALPINE HOME I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1154332302	6		
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 COSTS</u>											
6	4	50	4	2	50	3	Leases and Rentals To eliminate late fees not related to patient care 42 CFR 413.9(c)(3) CMS Pub. 15-1, Section 2102.3	*	\$782	(\$10)	\$772

*Balance carried forward from prior/to subsequent adjustments