

**REPORT
ON THE
RATE SETTING AUDIT**

**ALPINE HOME II
PARADISE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1487665550**

**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 M. Carli
Alpine Home II
5577 Carli Court
Paradise, CA 95969

ALPINE HOME II
NATIONAL PROVIDER IDENTIFIER (NPI) 1487665550
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	\$	358,327	\$ 163.62
Net Audit Adjustment		<u>(2,385)</u>	<u>(1.09)</u>
Audited Cost/Cost Per Day	\$	<u>355,942</u>	\$ <u>162.53</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 M. Carli
Page 2

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 II

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

Provider NPI:
1487665550

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
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>358,327</u>	\$ <u>355,942</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>163.62</u>	\$ <u>162.53</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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 II

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

Provider NPI:
1487665550

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		\$ 7,197	\$	\$ 7,197
050	Leases and Rentals	3, 5	816	(44)	772
055	Real Property Taxes		2,725		2,725
060	Personal Property Taxes	3		34	34
065	Mortgage Interest		3,578		3,578
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 14,316	\$ (10)	\$ 14,306
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 13,805	\$	\$ 13,805
085	Utilities		11,196		11,196
090	Client Transportation (excluding Adult Day Services)		1,378		1,378
095	Dietary		8,747		8,747
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 35,126	\$ 0	\$ 35,126
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 49,442	\$ (10)	\$ 49,432
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,684	\$	\$ 18,684
120	QMRP Fringe Benefits		2,446		2,446
125	Lead Salaries		46,672		46,672
130	Lead Fringe Benefits		9,903		9,903
135	Aides Salaries		127,460		127,460
140	Aides Fringe Benefits		20,476		20,476
145	Other Salaries		2,699		2,699
150	Other Fringe Benefits		416		416
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 228,756	\$ 0	\$ 228,756

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ALPINE HOME II

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

Provider NPI:
1487665550

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,373	\$	\$ 1,373
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		575		575
175	Occupational Therapy Consultant		2,040		2,040
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	2,375	(2,375)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 9,003	\$ (2,375)	\$ 6,628
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 23,177	\$	\$ 23,177
225	Administrative Fringe Benefits		6,789		6,789
226	Quality Assurance Fees (excluding Adult Day Services)		22,586		22,586
230	Other General and Administrative*** (Excluding Adult Day Services)		18,574		18,574
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 71,126	\$ 0	\$ 71,126
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 358,327	\$ (2,385)	\$ 355,942
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services	4	\$	\$ 2,375	\$ 2,375
241	Adult Day Services and Related Transportation		214,119		214,119
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 572,446	\$ (10)	\$ 572,436

Page 2 of 2

** 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 II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1487665550		5
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 Expenses	\$556,911	\$15,535	\$572,446	
							Page 4.1, Line 245, Column 4, did not foot. Reported and correct total amount is \$556,911 and \$572,446, respectively, a variance of \$15,535.				
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 II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1487665550		5
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>										
3	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 expense 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			
4	4.1	210	4	2	210	3	Other Consultant	\$2,375	(\$2,375)	\$0
	4.1	240	4	2	240	3	Non-Program Services	0	2,375	2,375
							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			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
ALPINE HOME II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1487665550		5
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>												
5	4	50	4	2	50	3	Leases and Rentals To eliminate late fees expense not related to patient car 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2106	*	\$782	(\$10)	\$772	

*Balance carried forward from prior/to subsequent adjustments