

**REPORT
ON THE
RATE SETTING AUDIT
BONAVENTE FREMONT HOME
FRESNO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1801053277
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: Debra K. Blake
Auditor: Jeannette Liu**



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



EDMUND G. BROWN JR.
GOVERNOR

June 20, 2013

Nida Bonavente, Administrator
Bonavente Freemont Home
6429 North Ellendale Avenue
Fresno, CA 93722

BONAVENTE FREEMONT HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1801053277
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	\$	397,076	\$ 181.31
Net Audit Adjustment		<u>(37,425)</u>	<u>(17.09)</u>
Audited Cost/Cost Per Day	\$	<u>359,651</u>	\$ <u>164.22</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.

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.

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:
BONAVENTE FREMONT HOME

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

Provider NPI:
1801053277

**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>397,076</u>	\$ <u>359,651</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>181.31</u>	\$ <u>164.22</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:
BONAVENTE FREMONT HOME

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

Provider NPI:
1801053277

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	\$ 6,831	\$ 3,378	\$ 10,209
050	Leases and Rentals	1	39,923	(36,000)	3,923
055	Real Property Taxes		2,514		2,514
060	Personal Property Taxes		0		0
065	Mortgage Interest		27,270		27,270
070	Property Insurance		1,063		1,063
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 77,601	\$ (32,622)	\$ 44,979
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 9,430	\$	\$ 9,430
085	Utilities		10,211		10,211
090	Client Transportation (excluding Adult Day Services)		11,483		11,483
095	Dietary		20,116		20,116
100	Personal Care and Laundry	5, 6	8,715	(3,610)	5,105
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 59,955	\$ (3,610)	\$ 56,345
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 137,556	\$ (36,232)	\$ 101,324
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 11,810	\$	\$ 11,810
120	QMRP Fringe Benefits		1,922		1,922
125	Lead Salaries		57,276		57,276
130	Lead Fringe Benefits		9,016		9,016
135	Aides Salaries		92,082		92,082
140	Aides Fringe Benefits		14,515		14,515
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 186,621	\$ 0	\$ 186,621

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BONAVENTE FREMONT HOME

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

Provider NPI:
1801053277

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,007	\$	\$ 1,007
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		800		800
185	Nurse Consultant		12,100		12,100
190	Psychologist Consultant		1,350		1,350
195	Physician Consultant		0		0
200	Recreational Consultant		1,440		1,440
205	Social Service Consultant		0		0
210	Other Consultant		420		420
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,117	\$ 0	\$ 17,117
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 17,230	\$	\$ 17,230
225	Administrative Fringe Benefits		1,041		1,041
226	Quality Assurance Fees (excluding Adult Day Services)		19,018		19,018
230	Other General and Administrative*** Adult Day Services) (Excluding	3, 4	18,493	(1,193)	17,300
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 55,782	\$ (1,193)	\$ 54,589
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 397,076	\$ (37,425)	\$ 359,651
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		31,480		31,480
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 428,556	\$ (37,425)	\$ 391,131

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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
BONAVENTE FREMONT HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1801053277		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				
ADJUSTMENTS TO REPORTED COSTS										
1	4	050	4	2	050	3	Leases and Rentals To eliminate lease payments paid to a related party. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	\$39,923	(\$36,000)	\$3,923
2	4	045	4	2	045	3	Depreciation and Amortization To adjustment depreciation expense related to cost of ownership to AHA guidelines. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	\$6,831	\$3,378	\$10,209
	4.1	230	4	2	230	3	Other General and Administrative	\$18,493		
3							To adjust California Department of Public Health license fees to agree with the renewal invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304.		(\$610)	
4							To eliminate gas and electric expense not applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306		(583) (\$1,193)	\$17,300
	4	100	4	2	100	3	Personal Care and Laundry	\$8,715		
5							To eliminate personal care expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105		(\$216)	
6							To eliminate laundry supply expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(3,394) (\$3,610)	\$5,105