

**REPORT
ON THE
RATE SETTING AUDIT
BONAVENTE LAUREEN HOME
FRESNO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1447417811
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 Laureen Home
6567 North Laureen Avenue
Fresno, CA 93722-3654

BONAVENTE LAUREEN HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1447417811
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	\$	423,627	\$ 194.15
Net Audit Adjustment		<u>(43,866)</u>	<u>(20.11)</u>
Audited Cost/Cost Per Day	\$	<u>379,761</u>	\$ <u>174.04</u>

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 \$564, which resulted from Medi-Cal overpayments

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

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

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.

Nida Bonavente
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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 LAUREEN HOME

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

Provider NPI:
1447417811

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,182	2,182
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,182</u>	<u>2,182</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>423,627</u>	\$ <u>379,761</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>194.15</u>	\$ <u>174.04</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 10)	\$ <u>NA</u>	\$ <u>564</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 LAUREEN HOME

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

Provider NPI:
1447417811

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, 3	\$ 10,699	\$ 3,761	\$ 14,460
050	Leases and Rentals	1	39,909	(36,000)	3,909
055	Real Property Taxes		2,409		2,409
060	Personal Property Taxes		0		0
065	Mortgage Interest		18,633		18,633
070	Property Insurance		1,059		1,059
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 72,709	\$ (32,239)	\$ 40,470
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	6	\$ 22,869	\$ (7,290)	\$ 15,579
085	Utilities		12,247		12,247
090	Client Transportation (excluding Adult Day Services)		16,100		16,100
095	Dietary		19,361		19,361
100	Personal Care and Laundry	7, 8, 9	11,438	(3,101)	8,337
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 82,015	\$ (10,391)	\$ 71,624
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 154,724	\$ (42,630)	\$ 112,094
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 15,554	\$	\$ 15,554
120	QMRP Fringe Benefits		2,246		2,246
125	Lead Salaries		43,569		43,569
130	Lead Fringe Benefits		7,173		7,173
135	Aides Salaries		111,316		111,316
140	Aides Fringe Benefits		16,958		16,958
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 196,816	\$ 0	\$ 196,816

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BONAVENTE LAUREEN HOME

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

Provider NPI:
1447417811

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,068	\$	\$ 1,068
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		1,500		1,500
205	Social Service Consultant		0		0
210	Other Consultant		660		660
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,478	\$ 0	\$ 17,478
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 17,167	\$	\$ 17,167
225	Administrative Fringe Benefits		1,037		1,037
226	Quality Assurance Fees (excluding Adult Day Services)		18,062		18,062
230	Other General and Administrative*** (Excluding Adult Day Services)	4, 5	18,343	(1,236)	17,107
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 54,609	\$ (1,236)	\$ 53,373
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 423,627	\$ (43,866)	\$ 379,761
NON-CLIENT CARE EXPENSES			(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		140,084		140,084
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 563,711	\$ (43,866)	\$ 519,845

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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 LAUREEN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1447417811	10		
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 part 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	\$39,909	(\$36,000)	\$3,909	
	4	045	4	2	045	3	Depreciation and Amortization	\$10,699			
2							To include cost of ownership depreciation expense in lieu of related party lease expense in conjunction with adjustment 1. 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		\$3,316		
3							To include depreciation expense on building improvements to be capitalized in conjunction with adjustment 6. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300		<u>445</u> <u>\$3,761</u>	\$14,460	
	4.1	230	4	2	230	3	Other General and Administrative	\$18,343			
4							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.		(\$353)		
5							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		<u>(883)</u> <u>(\$1,236)</u>	\$17,107	

Provider Name				Fiscal Period			Provider NPI		Adjustments	
BONAVENTE LAUREEN HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1447417811		10	
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>ADJUSTMENTS TO REPORTED COSTS</u>										
6	4	080	4	2	080	3	Home Operations and Maintenance To eliminate building improvements that should have been capitalized. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300	\$22,869	(\$7,290)	\$15,579
	4	100	4	2	100	3	Personal Care and Laundry	\$11,438		
7							To eliminate patient eye surgery expense not included in the routine rate. CCR, Title 22, Section 51510.3		(\$214)	
8							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		(2,301)	
9							To eliminate laundry supply expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(586) <u>(\$3,101)</u>	\$8,337

Provider Name				Fiscal Period			Provider NPI		Adjustments	
BONAVENTE LAUREEN HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1447417811		10	
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 OTHER MATTERS</u>										
10	Not Reported			1	1	3	Overpayment To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$0	\$564	\$564