

**REPORT
ON THE
RATE SETTING AUDIT**

**CORAL HOME
SIMI VALLEY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1679600332**

**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: Henry Kwan
Auditor: Tricia Sugioka**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 27, 2013

Matthew Steinorth
Executive Director
Epiphany Care Homes, Inc.
1331 Doris Avenue
Oxnard, California 93030

CORAL HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1679600332
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	\$	412,979	\$ 188.66
Net Audit Adjustment		(74,011)	(33.88)
Audited Cost/Cost Per Day	\$	<u>338,968</u>	\$ <u>154.78</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.

Matthew Steinorth
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:

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:
CORAL HOME

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

Provider NPI:
1679600332

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 14)	2,189	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,189</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>412,978</u>	\$ <u>338,967</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>188.66</u>	\$ <u>154.78</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:
CORAL HOME

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

Provider NPI:
1679600332

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	\$ 0	\$ 1,286	\$ 1,286
050	Leases and Rentals		0		0
055	Real Property Taxes	4	7,498	(2,982)	4,516
060	Personal Property Taxes		0		0
065	Mortgage Interest	3	42,742	(42,742)	0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 50,240	\$ (44,438)	\$ 5,802
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	5, 6, 7, 8	\$ 8,177	\$ (2,658)	\$ 5,519
085	Utilities		7,943		7,943
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		8,585		8,585
100	Personal Care and Laundry		2,319		2,319
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 27,024	\$ (2,658)	\$ 24,366
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 77,264	\$ (47,096)	\$ 30,168
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 16,610	\$	\$ 16,610
120	QMRP Fringe Benefits		1,513		1,513
125	Lead Salaries		28,712		28,712
130	Lead Fringe Benefits		2,616		2,616
135	Aides Salaries		89,394		89,394
140	Aides Fringe Benefits		8,144		8,144
145	Other Salaries		59,336		59,336
150	Other Fringe Benefits		5,405		5,405
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 211,730	\$ 0	\$ 211,730

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CORAL HOME

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

Provider NPI:
1679600332

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,000	\$	\$ 1,000
165	Speech Pathology Consultant		132		132
170	Physical Therapy Consultant		520		520
175	Occupational Therapy Consultant	9	893	(98)	795
180	Pharmacist Consultant		0		0
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		2,950		2,950
200	Recreational Consultant		0		0
205	Social Service Consultant		150		150
210	Other Consultant	10	25	(25)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 5,670	\$ (123)	\$ 5,547
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)	11	26,816	(11,562)	15,254
230	Other General and Administrative*** (Excluding Adult Day Services)	1,2,12,13	91,498	(15,230)	76,268
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 118,314	\$ (26,792)	\$ 91,522
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 412,978	\$ (74,011)	\$ 338,967
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation	1	78,876	1,183	80,059
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 491,854	\$ (72,828)	\$ 419,026

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		
CORAL HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1679600332	14		
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>RECLASSIFICATION OF REPORTED COSTS</u>											
1	4.1	230	4	2	230	3	Other General and Administrative	\$91,498	(\$1,183)	\$90,315 *	
	4.1	241	4	2	241	3	Adult Day Services and Related Transportatio To reclassify RC Admin fees to the appropriate cost center fc proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8	78,876	1,183	80,059	
2	4.1	230	4	2	230	3	Other General and Administrative	* \$90,315	(\$1,286)	\$89,029 *	
	4	045	4	2	045	3	Depreciation and Amortization To reclassify depreciation expense for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	0	1,286	1,286	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CORAL HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1679600332		14
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	065	4	2	065	3	Mortgage Interest To eliminate mortgage interest expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$42,742	(\$42,742)	\$0
4	4	055	4	2	055	3	Real Property Taxes To adjust property taxes to agree with the property tax statements. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$7,498	(\$2,982)	\$4,516
5	4	080	4	2	080	3	Home Operations and Maintenance To adjust purchased services expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$8,177	(\$380)	
6							To eliminate home buyer's protection expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105		(695)	
7							To eliminate drugs and medication expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		(455)	
8							To eliminate prescription drug expense not included in the routine rate. CCR, Title 22, 51510.3		(1,128) <u>(\$2,658)</u>	\$5,519

Provider Name							Fiscal Period	Provider NPI		Adjustments
CORAL HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1679600332		14
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>										
9	4.1	175	4	2	175	3	Occupational Therapy Consultant To adjust occupational therapy expense to agree with the contract rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$893	(\$98)	\$795
10	4.1	210	4	2	210	3	Other Consultant To eliminate dental costs not included in the routine rate. CMS Pub.15-1, Section 2104.4 CCR, Title 22, 51510.3	\$25	(\$25)	\$0
11	4.1	226	4	2	226	3	Quality Assurance Fees To adjust quality assurance fees to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$26,816	(\$11,562)	\$15,254
12	4.1	230	4	2	230	3	Other General and Administrative * To eliminate workers' compensation insurance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$89,029		
13							To eliminate late penalties and bank charges not related to patient care and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2105.10		(317) (\$12,761)	\$76,268

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
CORAL HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1679600332		14
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 PATIENT DAYS</u>										
14	2	3	1	1	1	Medi-Cal Client Days To adjust patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	2,189	1	2,190	