

**REPORT
ON THE
RATE SETTING AUDIT**

**CORONEL HOME
MISSION VIEJO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1689768681**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Felipe Avila
Auditor: Lang Doan**



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



EDMUND G. BROWN JR.
GOVERNOR

Date: October 12, 2012

Teresita Raffles
Executive Director
Auxiliary Residential Care, Inc.
27702 Crown Valley Parkway, Suite D4-291
Ladera Ranch, CA 92694

CORONEL HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1689768681
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	\$	494,193	\$ 233.99
Net Audit Adjustment		(49,275)	(23.43)
Audited Cost/Cost Per Day	\$	<u>444,918</u>	\$ <u>210.56</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Teresita Raflones
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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:

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—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
CORONEL HOME

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

Provider NPI:
1689768681

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	0	0
2. Medi-Cal Managed Care Days (Adj 4)	2,112	2,113
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,112</u>	<u>2,113</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>494,193</u>	\$ <u>444,918</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>233.99</u>	\$ <u>210.56</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:
CORONEL HOME

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

Provider NPI:
1689768681

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	1	\$ 13,448	\$ (8,261)	\$ 5,187
050	Leases and Rentals				0
055	Real Property Taxes		4,593		4,593
060	Personal Property Taxes				0
065	Mortgage Interest	3	28,931	(6,277)	22,654
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 46,972	\$ (14,538)	\$ 32,434
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 17,321	\$	\$ 17,321
085	Utilities		7,682		7,682
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		6,546		6,546
100	Personal Care and Laundry		2,169		2,169
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 33,718	\$ 0	\$ 33,718
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 80,690	\$ (14,538)	\$ 66,152
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		74,480		74,480
130	Lead Fringe Benefits		12,723		12,723
135	Aides Salaries	2	108,566	(34,738)	73,828
140	Aides Fringe Benefits		21,959		21,959
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 217,728	\$ (34,738)	\$ 182,990

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CORONEL HOME

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

Provider NPI:
1689768681

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,560	\$	\$ 1,560
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,010		2,010
175	Occupational Therapy Consultant		2,325		2,325
180	Pharmacist Consultant		375		375
185	Nurse Consultant		31,789		31,789
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		525		525
205	Social Service Consultant				0
210	Other Consultant		24,756		24,756
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 63,340	\$ 0	\$ 63,340
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		30,763		30,763
230	Other General and Administrative*** (Excluding Adult Day Services)		101,673		101,673
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 132,436	\$ 0	\$ 132,436
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 494,193	\$ (49,276)	\$ 444,918
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 494,193	\$ (49,276)	\$ 444,918

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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				
CORONEL HOME		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1689768681		4				
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col	As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Audit Report	Sch.						Col.
1	4	45	3	2	45	3	\$13,448	(\$8,261)	\$5,187	
<p style="text-align: center;">ADJUSTMENTS TO REPORTED COSTS</p>										
2	4.1	135	3	2	135	3	\$108,566	(\$34,738)	\$73,828	
<p>Depreciation and Amortization To adjust building depreciation using the assessed building value, ar to agree with American Hospital Association Guideline: 42 CFR 413.20 and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17, 104.18, 122, 2300 and 2304</p>										
3	4	65	3	2	65	3	\$28,931	(\$6,277)	\$22,654	
<p>Aides Salaries To abate other revenue against related costs. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328 CMS Pub. 15-2, Section 3613</p> <p>Mortgage Interest To adjust allowable mortgage interest expense to agree with mortgage closing statements. 42 CFR 413.9(c)(3) and 413.153 CMS Pub. 15-1, Sections 202.2, 2102.3 and 2304</p>										