REPORT
ON THE
RATE SETTING AUDIT

G.E. PEDIATRIC CARE
LA PUENTE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1124203575

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: Lan Nguyen
Auditor: Anita Kar

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: July 9, 2013

Evelyn Pascual, President
G & E Care Home
617 South Sentous Avenue
West Covina, CA 91792

G.E. PEDIATRIC CARE
NATIONAL PROVIDER IDENTIFIER (NPI) 1124203575
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	359,262	$	181.45
Net Audit Adjustment		(104,256)		(52.66)
Audited Cost/Cost Per Day	$	255,006	$	128.79

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 $1,486, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account

Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement 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 Medi-Cal Benefits, Waiver Analysis and Rates 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—Santa Ana at (714) 558-4434.

(*Original signed by Margaret A. 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:
G.E. PEDIATRIC CARE

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

Provider NPI:
1124203575

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY		AS REPORTED	AS AUDITED
1.	Medi-Cal Client Days (Adj)	1,980	1,980
2.	Medi-Cal Managed Care Days (Adj)	0	0
3.	Other Client Days (Adj)	0	0
4.	Total Client Days	1,980	1,980
5.	Total Client Care Expenses (From Sch. 2)	$ 359,262	$ 255,006
6.	AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 181.45	$ 128.79
SHARE OF COST			
1.	Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS			
1.	Duplicate Payments (Adj 21)	$ 0	$ (1,486)
2.	Credit Balances (Adj)	$ 0	$ 0
3.	Total Overpayments	$ 0	$ (1,486)

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
G.E. PEDIATRIC CARE

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

Provider NPI:
1124203575

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	4	$ 0	$ 962	$ 962
050	Leases and Rentals	3	54,000	(54,000)	0
055	Real Property Taxes	4	0	2,864	2,864
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 54,000	$ (50,174)	$ 3,826
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	5	$ 3,843	$ (1,586)	$ 2,257
085	Utilities	6	6,531	(1,077)	5,454
090	Client Transportation (excluding Adult Day Services)	7	7,508	(4,051)	3,457
095	Dietary	1, 19	12,232	(2,959)	9,273
100	Personal Care and Laundry	8	1,596	(211)	1,385
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 31,710	$ (9,884)	$ 21,826
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 85,710	$ (60,058)	$ 25,652
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 16,045	$	$ 16,045
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		13,893		13,893
130	Lead Fringe Benefits		1,440		1,440
135	Aides Salaries		103,727		103,727
140	Aides Fringe Benefits	9	12,017	(1,193)	10,824
145	Other Salaries		18,700		18,700
150	Other Fringe Benefits	9	2,033	42	2,075
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 167,855	$ (1,151)	$ 166,704

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
G.E. PEDIATRIC CARE

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

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,440	$	$ 1,440
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		2,025		2,025
175	Occupational Therapy Consultant		2,486		2,486
180	Pharmacist Consultant		540		540
185	Nurse Consultant		0		0
190	Psychologist Consultant	10	1,918	(1,918)	0
195	Physician Consultant	11	3,600	(3,600)	0
200	Recreational Consultant		578		578
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 12,587	$ (5,518)	$ 7,069
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	20	$ 48,600	$ (27,000)	$ 21,600
225	Administrative Fringe Benefits	2, 9, 20	9,718	(6,101)	3,617
226	Quality Assurance Fees (excluding Adult Day Services)		16,476		16,476
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 12-18	18,316	(4,428)	13,888
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 93,110	$ (37,529)	$ 55,581
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 359,262	$ (104,256)	$ 255,006
	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)		$ 359,262	$ (104,256)	$ 255,006

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider Number	Adjustments
G.E. PEDIATRIC CARE	JANUARY 01, 2011 THROUGH DECEMBER 31, 2011	1124203575	21

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATION OF REPORTED COSTS			
1	4	095	4	2	095	3	Dietary	$12,232	($2,619)	$9,613 *
	4.1	230	4	2	230	3	Other General and Administrative	18,316	2,619	20,935 *
							To reclassify meals for staff expenses to the appropriate cost center for proper cost determination.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2105.2, 2300, 2302.4 and 2302.8			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustments
G.E. PEDIATRIC CARE	JANUARY 01, 2011 THROUGH DECEMBER 31, 2011	1124203575	21

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
2	4.1	225	4	2	225	3	Administrative Fringe Benefits To reconcile the reported expenses to agree with the provider' general ledger 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$9,718	($269)	$9,449 *
3	4	050	4	2	050	3	Leases and Rentals To eliminate lease expenses 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	$54,000	($54,000)	$0
4	4	045	4	2	045	3	Depreciation and Amortization	$0	$962	$962
	4	055	4	2	055	3	Real Property Taxes To include cost of ownership in lieu of related party lease expenses. 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	0	2,864	2,864
5	4	080	4	2	080	3	Home Operations and Maintenance To reconcile the reported gardening, nursing supplies, pest control expenses to agree with the provider's invoices and eliminate gardening expense at owner's residence as not related to patient care and due to insufficient documentation. 42 CFR 413.20, 413.24 and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2105, 2300 and 2304	$3,843	($1,586)	$2,257
6	4	085	4	2	085	3	Utilities To adjust the reported utilities expense to paid invoices and to eliminate telephone expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$6,531	($1,077)	$5,454

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Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
7	4	090	4	2	090	3	Client Transportation To reconcile the reported client transportation expenses to agree with the provider's invoices and eliminate expenses for other facilities as not related to patient care. 42 CFR 413.20, 413.24 and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2105, 2300 and 2304	$7,508	($4,051)	$3,457
8	4	100	4	2	100	3	Personal Care and Laundry To eliminate items not included in the routine rate and due to insufficient documentation. CCR, Title 22, 51510.3 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$1,596	($211)	$1,385
9	4.1	140	4	2	140	3	Aides Fringe Benefits	$12,017	($1,193)	$10,824
	4.1	150	4	2	150	3	Other Fringe Benefits	2,033	42	2,075
	4.1	225	4	2	225	3	Administrative Fringe Benefits *	9,449	(656)	8,793 *
							To adjust the reported benefits expenses to agree with the audited totals and to eliminate employee contribution on health insurance costs. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.1, 2300 and 2304			
10	4.1	190	4	2	190	3	Psychologist Consultant To eliminate psychologist consultant expenses not included in the routine rate. Title 22, Section 51510.3 / 42 CFR 413.5, 413.9 and 413.20 CMS Pub. 15-1, Section 2109, 2182.6 and 2304	$1,918	($1,918)	$0
11	4.1	195	4	2	195	3	Physician Consultant To eliminate physician services not included in routine rate and due to insufficient documentation. Title 22, Section 51510.3 42 CFR 413.5, 413.9 and 413.20 CMS Pub. 15-1, Sections 2109.2, 2182.6 and 2304	$3,600	($3,600)	$0

*Balance carried forward from prior/to subsequent adjustments

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Report References											
	Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS				
12	4.1	230	4	2	230	3	Other General and Administrative To eliminate donation costs not related to patient care. 42 CFR 413.5(c)(7) and 413.9 CMS Pub. 15-1, Sections 608, 610 and 2102.3	*	$20,935	($46)	$20,889 *
13	4.1	230	4	2	230	3	Other General and Administrative To adjust the reported office supplies expenses to agree with the paid invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	$20,889	($144)	$20,745 *
14	4.1	230	4	2	230	3	Other General and Administrative To eliminate insurance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	$20,745	($839)	$19,906 *
15	4.1	230	4	2	230	3	Other General and Administrative To eliminate bank overdraft fees not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2122.1	*	$19,906	($570)	$19,336 *
16	4.1	230	4	2	230	3	Other General and Administrative To eliminate penalties expense as not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2122.1	*	$19,336	($4,335)	$15,001 *
17	4.1	230	4	2	230	3	Other General and Administrative To eliminate income taxes expenses as not related to patient care. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2122.2A, 2122.2B, 2300 and 2304	*	$15,001	($640)	$14,361 *

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Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS				
18	4.1	230	4	2	230	3	Other General and Administrative To eliminate attorney expense relating to income taxes. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2122.2A, 2122.2B, 2300 and 2304	*	$14,361	($473)	$13,888
19	4	095	4	2	095	3	Dietary To eliminate Knotts Berry Farm tickets expense as not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	*	$9,613	($340)	$9,273
20	4.1	220	4	2	220	3	Administrative Salaries		$48,600	($27,000)	$21,600
	4.1	225	4	2	225	3	Administrative Fringe Benefits To eliminate administrative salaries and benefits expenses due to insufficient documentation and to eliminate physician's services not included in the routine rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2104.4, 2300, 2304 and 2304.1 CCR, Title 22, 51510.3	*	8,793	(5,176)	3,617

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Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO OTHER MATTERS			
21	N/A			1	1	N/A	Duplicate Payments To recover Medi-Cal duplicate payments. 42 CFR 433.139 / CMS Pub. 15-1, Section 2409 CCR, Title 22, Section 51458.1	$0	$1,483	$1,483