REPORT
ON THE
RATE SETTING AUDIT

PACIFIC HOME CARE
CARSON, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1164663746

FISCAL PERIOD ENDED
DECEMBER 31, 2011

Audits Section—Gardena
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Maria Delgado
Audit Supervisor: Cyrus Lam
Auditor: Nancy Nguyen

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN, JR.
GOVERNOR

June 12, 2013

Roseline Tanglao, Administrator
Pacific Home Care
254 East 228th Street
Carson, CA 90745

PACIFIC HOME CARE
NATIONAL PROVIDER IDENTIFIER (NPI): 1164663746
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	$	427,216	$	195.16
Net Audit Adjustment		(30,858)		(14.17)
Audited Cost/Cost Per Day	$	396,358	$	180.99

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.

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
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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 95814-5005
(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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Enclosure
Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
PACIFIC HOME CARE

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

Provider NPI:
1164663746

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 12)	2,189	2,190
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days (Adj 11)	2,189	2,190
5. Total Client Care Expenses (From Sch. 2)	$ 427,216	$ 396,358
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 195.16	$ 180.99
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PACIFIC HOME CARE

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

Provider NPI:
1164663746

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	$ 8,281	$ (7,201)	$ 1,080
050	Leases and Rentals	3	35,225	(131)	35,094
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		697		697
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 44,203	$ (7,332)	$ 36,871
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4	$ 3,305	$ (1,444)	$ 1,861
085	Utilities	5	7,633	(1,544)	6,089
090	Client Transportation (excluding Adult Day Services)	1,6	8,035	(1,211)	6,824
095	Dietary	7	18,405	(619)	17,786
100	Personal Care and Laundry	8	9,944	(1,197)	8,747
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 47,322	$ (6,015)	$ 41,307
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 91,525	$ (13,347)	$ 78,178
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 16,350	$	$ 16,350
120	QMRP Fringe Benefits				0
125	Lead Salaries		44,940		44,940
130	Lead Fringe Benefits				0
135	Aides Salaries	9	123,920	(8,909)	115,011
140	Aides Fringe Benefits		490		490
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 185,700	$ (8,909)	$ 176,791

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PACIFIC HOME CARE

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

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1164663746

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 630	$	$ 630
165	Speech Pathology Consultant		1,803		1,803
170	Physical Therapy Consultant		1,012		1,012
175	Occupational Therapy Consultant		720		720
180	Pharmacist Consultant				0
185	Nurse Consultant		27,700		27,700
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		3,655		3,655
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 35,520	$ 0	$ 35,520
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$ 30,975	$	$ 30,975
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		23,097		23,097
230	Other General and Administrative*** (Excluding Adult Day Services)	10	60,399	(8,602)	51,797
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 114,471	$ (8,602)	$ 105,869
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 427,216	$ (30,858)	$ 396,358
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
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)		$ 427,216	$ (30,858)	$ 396,358

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

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
PACIFIC HOME CARE	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1164663746	12

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			
1	4	090	4	2	090	3	Client Transportation To include client transportation expenses to agree with the provider' trial balance 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$8,035	$45	$8,080 *
2	4	045	4	2	045	3	Depreciation and Amortization To eliminate depreciation and amortization expenses 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)	$8,281	($7,201)	$1,080
3	4	050	4	2	050	3	Leases and Rentals To eliminate leases and rentals expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	$35,225	($131)	$35,094
4	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operations and maintenance expenses due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$3,305	($1,444)	$1,861
5	4	085	4	2	085	3	Utilities To eliminate utilities expense for nonpatient care related items 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	$7,633	($1,544)	$6,089

*Balance carried forward from prior/to subsequent adjustment

Provider Name	Fiscal Period	Provider NPI	Adjustments
PACIFIC HOME CARE	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1164663746	12

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			
6	4	090	4	2	090	3	Client Transportation *	$8,080	($1,256)	$6,824
							To eliminate client transportation expenses 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)			
7	4	095	4	2	095	3	Dietary	$18,405	($619)	$17,786
							To eliminate dietary 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)			
8	4	100	4	2	100	3	Personal Care and Laundry	$9,944	($1,197)	$8,747
							To eliminate personal care and laundry expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
9	4.1	135	4	2	135	3	Aides Salaries	$123,920	($8,909)	$115,011
							To eliminate aides salaries due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
10	4.1	230	4	2	230	3	Other General and Administrative	$60,399	($8,602)	$51,797
							To eliminate other general and administrative expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
PACIFIC HOME CARE	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1164663746	12

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 PATIENT DAYS			
11	2	3	6	1	4	3	Total Client Days To adjust total 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
12	2	3	3	1	1	3	Total Medi-Cal Client Days To adjust reported Medi-Cal Client Days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through March 31, 2013 Report Date: April 16, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541	2,189	1	2,190