

**REPORT
ON THE
RATE SETTING AUDIT**

**LOOP HOME FOUNDATION, INC. II
GARDENA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1659589869**

**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: Ginn B. Sampson
Auditor: Xiaoli Li**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 28, 2013

Smyrna Dojcinovic, Administrator
Loop Home Foundation, Inc. II
15918 South Dalton Avenue
Gardena, CA 90247

LOOP HOME FOUNDATION, INC. II
NATIONAL PROVIDER IDENTIFIER (NPI): 1659589869
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	\$	368,702	\$ 168.36
Net Audit Adjustment		(23,794)	(10.87)
Audited Cost/Cost Per Day	\$	<u>344,908</u>	\$ <u>157.49</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.

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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

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

Provider:

LOOP HOME FOUNDATION, INC, II

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1659589869

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 13)	2,190	2,183
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj 12)		7
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>368,702</u>	\$ <u>344,908</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>168.36</u>	\$ <u>157.49</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>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOOP HOME FOUNDATION, INC, II

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

Provider NPI:
1659589869

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		\$	\$	\$
050	Leases and Rentals		24,000		24,000
055	Real Property Taxes				
060	Personal Property Taxes				
065	Mortgage Interest				
070	Property Insurance				
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,000	\$ 0	\$ 24,000
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 3,084	\$ (1,340)	\$ 1,744
085	Utilities	2	5,945	(1,877)	4,068
090	Client Transportation (excluding Adult Day Services)	3	1,816	(1,686)	130
095	Dietary	4	12,557	(53)	12,504
100	Personal Care and Laundry	5	1,368	(846)	522
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 24,770	\$ (5,802)	\$ 18,968
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 48,770	\$ (5,802)	\$ 42,968
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	6	\$ 14,290	\$ (540)	\$ 13,750
120	QMRP Fringe Benefits				
125	Lead Salaries		26,518		26,518
130	Lead Fringe Benefits		12,338		12,338
135	Aides Salaries	7	160,959	(4,829)	156,130
140	Aides Fringe Benefits		9,476		9,476
145	Other Salaries	8	9,000	(9,000)	0
150	Other Fringe Benefits				
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 232,581	\$ (14,369)	\$ 218,212

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOOP HOME FOUNDATION, INC, II

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		\$ 300	\$	\$ 300
165	Speech Pathology Consultant				
170	Physical Therapy Consultant		1,123		1,123
175	Occupational Therapy Consultant		440		440
180	Pharmacist Consultant		650		650
185	Nurse Consultant		12,500		12,500
190	Psychologist Consultant				
195	Physician Consultant				
200	Recreational Consultant	9	2,530	(220)	2,310
205	Social Service Consultant				
210	Other Consultant				
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,543	\$ (220)	\$ 17,323
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	10	\$ 34,562	\$ (3,311)	\$ 31,251
225	Administrative Fringe Benefits				
226	Quality Assurance Fees (excluding Adult Day Services)		16,650		16,650
230	Other General and Administrative*** (Excluding Adult Day Services)	11	18,596	(92)	18,504
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 69,808	\$ (3,403)	\$ 66,405
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 368,702	\$ (23,794)	\$ 344,908
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$
241	Adult Day Services and Related Transportation		96,985		96,985
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 465,687	\$ (23,794)	\$ 441,893

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
LOOP HOME FOUNDATION, INC. II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1659589869		13
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	080	4	2	080	3	Home Operations and Maintenance To eliminate home operations and maintenance 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)	\$3,084	(\$1,340)	\$1,744
2	4	085	4	2	085	3	Utilities To eliminate utilities 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)	\$5,945	(\$1,877)	\$4,068
3	4	090	4	2	090	3	Client Transportation To eliminate client transportation 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)	\$1,816	(\$1,686)	\$130
4	4	095	4	2	095	3	Dietary To eliminate dietary 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)	\$12,557	(\$53)	\$12,504
5	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care and laundry 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)	\$1,368	(\$846)	\$522

Provider Name							Fiscal Period	Provider NPI		Adjustments
LOOP HOME FOUNDATION, INC. II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1659589869		13
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										
6	4.1	115	4	2	115	3	QMRP Salaries To adjust the reported expenses to agree with the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$14,290	(\$540)	\$13,750
7	4.1	135	4	2	135	3	Aides Salaries To adjust the reported expenses to agree with the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$160,959	(\$4,829)	\$156,130
8	4.1	145	4	2	145	3	Other Salaries To eliminate other salaries 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)	\$9,000	(\$9,000)	\$0
9	4.1	200	4	2	200	3	Recreational Consultant To adjust recreational consultant expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$2,530	(\$220)	\$2,310
10	4.1	220	4	2	220	3	Administrative Salaries To adjust the reported expenses to agree with the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$34,562	(\$3,311)	\$31,251

Provider Name							Fiscal Period	Provider NPI		Adjustments
LOOP HOME FOUNDATION, INC. II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1659589869		13
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>										
11	4.1	230	4	2	230	3	Other General and Administrative To adjust the reported expenses to agree with the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$18,596	(\$92)	\$18,504

Provider Name							Fiscal Period	Provider NPI	Adjustments	
LOOP HOME FOUNDATION, INC. II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1659589869	13	
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>										
12	2	3	3	1	3	2	Other Client Days To adjust other 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	0	7	7

Provider Name							Fiscal Period	Provider NPI		Adjustments
LOOP HOME FOUNDATION, INC. II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1659589869		13
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				
ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA										
13	2	3	1	1	1	2	Medi-Cal Client Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through December 31, 2012 Report Date: January 31, 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	2,190	(7)	2,183