

**REPORT
ON THE
RATE SETTING AUDIT**

**SIERRA VISTA RESIDENTIAL CARE HOME
FARMERSVILLE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1023200151**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Michael Harrold
Audit Supervisor: Kathy Atkins
Auditor: Paul Vandruck**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 14, 2013

Bruce R. Kempf, Administrator
Sierra Vista Residential Care Home
782 North Shasta Avenue
Farmersville, CA 93223

SIERRA VISTA RESIDENTIAL CARE HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 10232200151
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	\$	450,112	\$ 205.53
Net Audit Adjustment		<u>(78,483)</u>	<u>(35.84)</u>
Audited Cost/Cost Per Day	\$	<u>371,629</u>	\$ <u>169.69</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.

Bruce R. Kempf
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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—Fresno at (559) 446-2458.

Original Signed By

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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

Provider:
SIERRA VISTA RESIDENTIAL CARE HOME

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

Provider NPI:
1023200151

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>450,112</u>	\$ <u>371,629</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>205.53</u>	\$ <u>169.69</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
OVERPAYMENTS		
1. Duplicate Payments (Adj)	\$ <u> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SIERRA VISTA RESIDENTIAL CARE HOME

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

Provider NPI:
1023200151

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		\$ 0	\$	\$ 0
050	Leases and Rentals		0		0
055	Real Property Taxes	3	2,007	(299)	1,708
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,007	\$ (299)	\$ 1,708
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3, 4, 5	\$ 22,285	\$ (5,171)	\$ 17,114
085	Utilities	3, 6	17,628	(6,666)	10,962
090	Client Transportation (excluding Adult Day Services)	3	7,870	(1,171)	6,699
095	Dietary	3, 7	30,366	(7,201)	23,165
100	Personal Care and Laundry	3, 4, 8	17,707	(4,620)	13,087
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 95,856	\$ (24,829)	\$ 71,027
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 97,863	\$ (25,128)	\$ 72,735
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,926	\$	\$ 14,926
120	QMRP Fringe Benefits		4,892		4,892
125	Lead Salaries		28,527		28,527
130	Lead Fringe Benefits		10,566		10,566
135	Aides Salaries	2, 11	170,576	(23,994)	146,582
140	Aides Fringe Benefits	2, 11	51,198	(24,654)	26,544
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 280,686	\$ (48,648)	\$ 232,038

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SIERRA VISTA RESIDENTIAL CARE HOME

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

Provider NPI:
1023200151

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	9	\$ 2,843	\$ (1,161)	\$ 1,682
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		1,680		1,680
185	Nurse Consultant		21,667		21,667
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		1,620		1,620
205	Social Service Consultant				0
210	Other Consultant	10	955	(955)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 28,765	\$ (2,116)	\$ 26,649
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	3	\$ 17,410	\$ (2,591)	\$ 14,819
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		25,388		25,388
230	Other General and Administrative*** (Excluding Adult Day Services)				0
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 42,798	\$ (2,591)	\$ 40,207
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 450,112	\$ (78,483)	\$ 371,629
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services	2, 3	\$ 0	\$ 56,117	\$ 56,117
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)	1	\$ 450,112	\$ (22,366)	\$ 427,746

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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	
SIERRA VISTA RESIDENTIAL CARE HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1023200151	11	
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>MEMORANDUM ADJUSTMENT</u>										
1	4.1	245	4	H	245	4	Total Expenses To correct a footing error in the cost report 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$352,249	\$97,863	\$450,112

Provider Name				Fiscal Period				Provider NPI		Adjustments	
SIERRA VISTA RESIDENTIAL CARE HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1023200151		11	
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>											
2	4.1	135	4	2	135	3	Aides Salaries	\$170,576	(\$37,866)	\$132,710 *	
	4.1	140	4	2	140	3	Aides Fringe Benefits	51,198	(3,364)	47,834 *	
	4.1	240	4	2	240	3	Non-Program Services	0	41,230	41,230 *	
							To reclassify non-program salaries and benefits to a nonreimbursable cost center.				
							42 CFR 413.9, 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300, 2304 and 2328				
3	4	055	4	2	055	3	Real Property Taxes	\$2,007	(\$299)	\$1,708	
	4	080	4	2	080	3	Home Operations and Maintenance	22,285	(2,992)	19,293 *	
	4	085	4	2	085	3	Utilities	17,628	(1,917)	15,711 *	
	4	090	4	2	090	3	Client Transportation	7,870	(1,171)	6,699	
	4	095	4	2	095	3	Dietary	30,366	(3,629)	26,737 *	
	4	100	4	2	100	3	Personal Care and Laundry	17,707	(2,288)	15,419 *	
	4.1	220	4	2	220	3	Administrative Salaries	17,410	(2,591)	14,819	
	4.1	240	4	2	240	3	Non-Program Services	* 41,230	14,887	56,117	
							To reclassify non-program indirect expenses to a nonreimbursable cost center.				
							42 CFR 413.9, 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300, 2304 and 2328				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
SIERRA VISTA RESIDENTIAL CARE HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1023200151		11	
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>											
4	4	080	4	2	080	3	Home Operations and Maintenance	*	\$19,293	(\$365)	\$18,928 *
	4	100	4	2	100	3	Personal Care and Laundry	*	15,419	(427)	14,992 *
							To reconcile the reported costs to the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
5	4	080	4	2	080	3	Home Operations and Maintenance	*	\$18,928	(\$1,814)	\$17,114
							To eliminate the cost of items not included in the rate, items belonging to another facility, to agree with the provider's records and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.3				
6	4	085	4	2	085	3	Utilities	*	\$15,711	(\$4,749)	\$10,962
							To eliminate utilities expenses to agree with the provider's records and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
7	4	095	4	2	095	3	Dietary	*	\$26,737	(\$3,572)	\$23,165
							To eliminate dietary costs not related to client care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105				
8	4	100	4	2	100	3	Personal Care and Laundry	*	\$14,992	(\$1,905)	\$13,087
							To eliminate the cost of items not included in the rate, not related to client care and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.2, 2300 and 2304 CCR, Title 22, Section 51510.3				

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments	
SIERRA VISTA RESIDENTIAL CARE HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1023200151		11	
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>											
9	4.1	160	4	2	160	3	Dietician Consultant To eliminate dietician consultant's costs to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$2,843	(\$1,161)	\$1,682	
10	4.1	210	4	2	210	3	Other Consultant To eliminate costs not included in the rate and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.3	\$955	(\$955)	\$0	
11	4.1	135	4	2	135	3	Aides Salaries	*	\$132,710	\$13,872	\$146,582
	4.1	140	4	2	140	3	Aides Fringe Benefits To adjust aides salaries and benefits to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	47,834	(21,290)	26,544

*Balance carried forward from prior/to subsequent adjustments