

**REPORT
ON THE
RATE SETTING AUDIT**

**SAINT JOSEPH GARDENS
FRESNO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1487703302**

**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: Linda King
Auditor: Christiana Aleru**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 26, 2013

Victor Ramayrat
VP Operations
Saint Joseph Gardens
5180 East Balch Avenue
Fresno, CA 93727

SAINT JOSEPH GARDENS
NATIONAL PROVIDER IDENTIFIER (NPI) 1487703302
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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, patient days, and use of share of cost 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	\$	346,621	\$ 158.27
Net Audit Adjustment		<u>(32,865)</u>	<u>(15.00)</u>
Audited Cost/Cost Per Day	\$	<u>313,756</u>	\$ <u>143.27</u>

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 \$1,793, 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.

Victor Ramayrat
Page 3

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:
SAINT JOSEPH GARDENS

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

Provider NPI:
1487703302

**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>346,621</u>	\$ <u>313,756</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>158.27</u>	\$ <u>143.27</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 26)	\$ <u>NA</u>	\$ <u>(1,793)</u>
--	--------------	-------------------

OVERPAYMENTS

1. Overpayments (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:
SAINT JOSEPH GARDENS

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

Provider NPI:
1487703302

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	\$ 4,000	\$ 3,933	\$ 7,933
050	Leases and Rentals	3	24,000	(24,000)	0
055	Real Property Taxes	4	0	2,102	2,102
060	Personal Property Taxes		0		0
065	Mortgage Interest	5	0	12,198	12,198
070	Property Insurance	6	3,600	(3,600)	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)	1	\$ 31,600	\$ (9,367)	\$ 22,233
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	9 - 14	\$ 12,000	\$ (7,667)	\$ 4,333
085	Utilities	15 - 17	13,320	(5,553)	7,767
090	Client Transportation (excluding Adult Day Services)	18	7,400	(6,305)	1,095
095	Dietary		10,800		10,800
100	Personal Care and Laundry ****	19 - 20	1,600	(1,174)	426
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 45,120	\$ (20,699)	\$ 24,421
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 76,720	\$ (30,066)	\$ 46,654
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	25	\$ 14,256	\$ (6,534)	\$ 7,722
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		26,912		26,912
130	Lead Fringe Benefits		4,741		4,741
135	Aides Salaries		129,278		129,278
140	Aides Fringe Benefits		22,752		22,752
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)	1	\$ 197,939	\$ (6,534)	\$ 191,405

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SAINT JOSEPH GARDENS

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

Provider NPI:
1487703302

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	22	\$ 1,200	\$ (625)	\$ 575
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant	23	1,440	(600)	840
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant	24	600	124	724
185	Nurse Consultant		12,600		12,600
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		1,440		1,440
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,280	\$ (1,101)	\$ 16,179
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries ** ****		\$ 18,000		\$ 18,000
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		36,682		36,682
230	Other General and Administrative*** (Excluding Adult Day Services)	7 - 8, 21	0	4,836	4,836
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 54,682	\$ 4,836	\$ 59,518
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 346,621	\$ (32,865)	\$ 313,756
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$ 0	\$ 0
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)	1	\$ 346,621	\$ (32,865)	\$ 313,756

Page 2 of 2

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

*** List allocated administrative costs on Line 230

**** Memorandum adjustment # 1 to correct reported amount.

Provider Name							Fiscal Period	Provider NPI	Adjustments	
SAINT JOSEPH GARDENS							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1487703302	26	
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	75	4	2	75	1	Total Property Expenses	\$27,600	\$4,000	\$31,600
	4.1	155	4	2	155	1	Total Client Care Staff Cos	201,169	(3,230)	197,939
	4.1	245	4	2	245	1	Total Expenses	345,851	770	346,621
To foot the reported total expenses in column 4 for proper cost reporting 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										

Provider Name							Fiscal Period	Provider NPI		Adjustments
SAINT JOSEPH GARDENS							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1487703302		26
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>										
2	4	045	4	2	045	3	Depreciation and Amortization To include depreciation expenses in the cost of ownership in lieu of related party lease expenses and to agree with AHA guidelines. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 104.17, 1005, 1011.4, 1011.5, 2300 and 2304	\$4,000	\$3,933	\$7,933
3	4	050	4	2	050	3	Leases and Rentals To eliminate lease and rental 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	\$24,000	(\$24,000)	\$0
4	4	055	4	2	055	3	Real Property Taxes To include real property taxes expense in the 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	\$2,102	\$2,102
5	4	065	4	2	065	3	Mortgage Interest To include mortgage interest expenses in the 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	\$12,198	\$12,198

Provider Name							Fiscal Period	Provider NPI		Adjustments
SAINT JOSEPH GARDENS							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1487703302		26
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>										
6	4	070	4	2	070	3	Property Insurance To eliminate property insurance 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)	\$3,600	(\$3,600)	\$0
	4.1	230	4	2	230	3	Other General and Administrative	\$0		
7							To include telephone expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$1,777	
8							To include facility license fees to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		<u>2,679</u> \$4,456	\$4,456 *
	4	080	4	2	080	3	Home Operations and Maintenance	\$12,000		
9							To adjust reported expenses to agree with the provider's revenue and expense reports. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$2,388)	
10							To eliminate plumbing 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)		(\$360)	
11							To eliminate appliance expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		<u>(2,195)</u> (\$4,943)	\$7,057 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
SAINT JOSEPH GARDENS							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1487703302		26	
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>											
	4	080	4	2	080	3	Home Operations and Maintenance	*	\$7,057		
12							To eliminate infection control supplies 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)			(\$1,440)	
13							To eliminate roof, electric wiring HVAC system expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(1,090)	
14							To adjust pest control expenses to agree with provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(194) (\$2,724)	\$4,333
	4	085	4	2	085	3	Utilities		\$13,320		
15							To adjust reported 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			(\$348)	
16							To adjust reported PG&E and SunRun expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(4,625)	
17							To adjust Comcast 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			(580) (\$5,553)	\$7,767
*Balance carried forward from prior/to subsequent adjustments										Page 4	

Provider Name							Fiscal Period	Provider NPI	Adjustments		
SAINT JOSEPH GARDENS							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1487703302	26		
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>											
18	4	090	4	2	090	3	Client Transportation To adjust reported auto lease expense, auto depreciation and gas expense to agree with the provider's records and due to insufficient documentation. 42 CFR 413.20, 413.24 and 413.134 CMS Pub. 15-1, Sections 110B, 112.1, 102, 2300 and 2304	\$7,400	(\$6,305)	\$1,095	
	4	100	4	2	100	3	Personal Care and Laundry	\$1,600			
19							To adjust reported expenses to agree with the provider's expense report. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304		(\$160)		
20							To adjust the reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(1,014) (\$1,174)	\$426	
21	4.1	230	4	2	230	3	Other General and Administrative To include fire sprinkler expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$4,456	\$380	\$4,836	

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
SAINT JOSEPH GARDENS				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1487703302		26
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>										
22	4.1	160	4	2	160	3	Dietitian Consultant To adjust dietitian expenses that do not relate to the audit period and due to insufficient documentation. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$1,200	(\$625)	\$575
23	4.1	170	4	2	170	3	Physical Therapy Consultant To adjust physical therapy expenses that do not relate to the audit period and due to insufficient documentation. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$1,440	(\$600)	\$840
24	4.1	180	4	2	180	3	Pharmacist Consultant To adjust pharmacist consultant fees to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$600	\$124	\$724
25	4.1	115	4	2	115	3	QMRP Salaries To adjust QMRP salaries to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$14,256	(\$6,534)	\$7,722

Provider Name				Fiscal Period				Provider NPI		Adjustments
SAINT JOSEPH GARDENS				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1487703302		26
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 OTHER MATTERS</u>										
26	N/A			1	1	2	Amount Due State To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from amount billed and due to lack of documentation. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2409 CCR, Title 22, Sections 50786 and 51458.1	\$0	\$1,793	\$1,793