

**REPORT
ON THE
RATE SETTING AUDIT
TEMPLE GARDEN HOMES II
TEMPLE CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1699813402
FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Aviña
Auditor: Kit Chao**



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



EDMUND G. BROWN JR.
GOVERNOR

June 27, 2013

Flora I. Pilpa, President
Temple Garden Homes
5120 Baldwin Avenue
Temple City, California 91780

PROVIDER: TEMPLE GARDEN HOMES II
PROVIDER NPI: 1699813402
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	\$	323,045	\$ 148.66
Net Audit Adjustment		<u>(32,269)</u>	<u>(14.85)</u>
Audited Cost/Cost Per Day	\$	<u>290,776</u>	\$ <u>133.81</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 \$10,479, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) 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 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.

Flora I. Pilpa
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If you have questions regarding this report, you may call the Audits Section—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
TEMPLE GARDEN HOMES II

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

Provider NPI:
1699813402

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,173	2,173
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,173</u>	<u>2,173</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>323,045</u>	\$ <u>290,776</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>148.66</u>	\$ <u>133.81</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 12)	\$ <u>NA</u>	\$ <u>10,479</u>
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OVERPAYMENTS

1. Duplicate Payments (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:
TEMPLE GARDEN HOMES II

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

Provider NPI:
1699813402

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		4,866		4,866
060	Personal Property Taxes		0		0
065	Mortgage Interest	9	16,048	(16,048)	0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 20,914	\$ (16,048)	\$ 4,866
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	8	\$ 18,428	\$ (323)	\$ 18,105
085	Utilities		4,673		4,673
090	Client Transportation (excluding Adult Day Services)	1,2,3	10,323	(9,163)	1,160
095	Dietary	5,6,7	11,700	(889)	10,811
100	Personal Care and Laundry		3,094		3,094
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 48,218	\$ (10,375)	\$ 37,843
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 69,132	\$ (26,423)	\$ 42,709
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,150	\$	\$ 12,150
120	QMRP Fringe Benefits		2,184		2,184
125	Lead Salaries		82,452		82,452
130	Lead Fringe Benefits		14,824		14,824
135	Aides Salaries		24,335		24,335
140	Aides Fringe Benefits		4,375		4,375
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 140,320	\$ 0	\$ 140,320

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TEMPLE GARDEN HOMES II

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

Provider NPI:
1699813402

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 225	\$	\$ 225
165	Speech Pathology Consultant	4	340	(75)	265
170	Physical Therapy Consultant		410		410
175	Occupational Therapy Consultant		390		390
180	Pharmacist Consultant		0		0
185	Nurse Consultant	10	43,656	(3,967)	39,689
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant	4	600	(600)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 45,621	\$ (4,642)	\$ 40,979
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 23,940	\$	\$ 23,940
225	Administrative Fringe Benefits		4,304		4,304
226	Quality Assurance Fees (excluding Adult Day Services)	11	22,194	(1,204)	20,990
230	Other General and Administrative*** (Excluding Adult Day Services)		17,534		17,534
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 67,972	\$ (1,204)	\$ 66,768
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 323,045	\$ (32,269)	\$ 290,776
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		16,142		16,142
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 339,187	\$ (32,269)	\$ 306,918

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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		
TEMPLE GARDEN HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1699813402	12		
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	090	4	2	090	2	Client Transportation To eliminate vehicle insurance and repair expense due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$10,323	(\$5,546)	\$4,777 *	
2	4	090	4	2	090	2	Client Transportation To eliminate automobile expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$4,777	(\$3,367)	\$1,410 *	
3	4	090	4	2	090	2	Client Transportation To eliminate tire expense for luxury vehicle. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2104.3	* \$1,410	(\$250)	\$1,160	
4	4.1	165	4	2	165	2	Speech Pathology Consultant	\$340	(\$75)	\$265	
	4.1	210	4	2	210	2	Other Consultant To eliminate consultant 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)	600	(600)	0	
5	4	095	4	2	095	2	Dietary To eliminate plane fare and furniture expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300 and 2304	\$11,700	(\$551)	\$11,149 *	

Provider Name							Fiscal Period	Provider NPI		Adjustments	
TEMPLE GARDEN HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1699813402		12	
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>											
6	4	095	4	2	095	2	Dietary To eliminate luxury items expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300 and 2304	*	\$11,149	(\$181)	\$10,968 *
7	4	095	4	2	095	2	Dietary To eliminate groceries expenses due to lack of documentation and not related to patient care. 42 CFR 413.20, 413.24 and 413.9(c)(9) CMS Pub. 15-1, Sections 2102.3, 2300 and 2304	*	\$10,968	(\$157)	\$10,811
8	4	080	4	2	080	2	Home Operations & Maintenance To eliminate home supplies expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105		\$18,428	(\$323)	\$18,105
9	4	065	4	2	065	2	Mortgage Interest To eliminate mortgage interest expense due to lack of sufficient documentations. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$16,048	(\$16,048)	\$0
10	4.1	185	4	2	185	2	Nurse Consultant To adjust home office costs to agree with the filed Temple Gardens Homes, Inc. Home Office Cost Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		\$43,656	(\$3,967)	\$39,689
11	4.1	226	4	2	226	2	Quality Assurance Fees To adjust provider's quality assurance fees adjustment to agree with the invoices submitted. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$22,194	(\$1,204)	\$20,990

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
TEMPLE GARDEN HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1699813402		12
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>												
12	Not Reported			1	1		Share of Cost Audit Adjustment To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	\$0	\$10,479	\$10,479		