REPORT
ON THE
RATE SETTING AUDIT

UNITED CARE HOMES - VALINDA
VALINDA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1326192402

FISCAL PERIOD ENDED
DECEMBER 31, 2011

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

Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Vanessa Hu

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: July 10, 2013

Susana Tubianosa, Administrator
United Care Homes – Valinda
1982 Camwood Avenue
Rowland Heights, CA 91748

UNITED CARE HOMES – VALINDA
NATIONAL PROVIDER IDENTIFIER (NPI) 1326192402
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	$	287,047	$	145.19
Net Audit Adjustment		(14,563)		(7.36)
Audited Cost/Cost Per Day	$	272,484	$	137.83

This audit report includes the:

1. Audit Report Schedules 1 and 2

2. Audit Adjustments Schedule

3. Audited Allocation of Home Office Cost

605 West Santa Ana Blvd., Building 28, Room 830, Santa Ana, CA 92701
(714) 558-4434 / (714) 558-4179 fax
Internet Address: www.dhcs.ca.gov

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.

If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

(*Original signed by Margaret A. Varho*)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
UNITED CARE HOMES - VALINDA

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

Provider NPI:
1326192402

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY		AS REPORTED	AS AUDITED
1.	Medi-Cal Client Days (Adj)	1,977	1,977
2.	Medi-Cal Managed Care Days (Adj)	0	0
3.	Other Client Days (Adj)	0	0
4.	Total Client Days	1,977	1,977
5.	Total Client Care Expenses (From Sch. 2)	$ 287,047	$ 272,484
6.	AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 145.19	$ 137.83

SHARE OF COST

1.	Share of Cost Audit Adjustment (Adj)	$ NA	$ 0

OVERPAYMENTS

1.	Duplicate Payments (Adj)	$ 0	$ 0
2.	Credit Balances (Adj)	$ 0	$ 0
3.	Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
UNITED CARE HOMES - VALINDA

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

Provider NPI:
1326192402

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	3	$ 2,394	$ (2,394)	$ 0
050	Leases and Rentals				0
055	Real Property Taxes		3,211		3,211
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 5,605	$ (2,394)	$ 3,211
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4,9	$ 6,434	$ (4,448)	$ 1,986
085	Utilities	9	7,635	(195)	7,440
090	Client Transportation (excluding Adult Day Services)	9	5,769	(3,325)	2,444
095	Dietary		7,061		7,061
100	Personal Care and Laundry	9	2,424	(983)	1,441
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 29,323	$ (8,951)	$ 20,372
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 34,928	$ (11,345)	$ 23,583
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 14,400	$	$ 14,400
120	QMRP Fringe Benefits				0
125	Lead Salaries	1,5	21,544	1,073	22,617
130	Lead Fringe Benefits	9	3,147	(189)	2,958
135	Aides Salaries	1	84,028	8,887	92,915
140	Aides Fringe Benefits	9	12,530	(726)	11,804
145	Other Salaries		6,474		6,474
150	Other Fringe Benefits	9	946	(57)	889
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 143,069	$ 8,988	$ 152,057

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
UNITED CARE HOMES - VALINDA

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

Provider NPI:
1326192402

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,495	$	$ 1,495
165	Speech Pathology Consultant		2,145		2,145
170	Physical Therapy Consultant	2	0	980	980
175	Occupational Therapy Consultant	2	1,529	(980)	549
180	Pharmacist Consultant				0
185	Nurse Consultant	9	32,909	(221)	32,688
190	Psychologist Consultant	6	797	(772)	25
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 38,875	$ (993)	$ 37,882
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	9	$ 23,332	$ (23,332)	$ 0
225	Administrative Fringe Benefits	9	3,739	(3,739)	0
226	Quality Assurance Fees (excluding Adult Day Services)		20,398		20,398
230	Other General and Administrative*** (Excluding Adult Day Services)	7,8,9	22,706	15,858	38,564
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 70,175	$ (11,213)	$ 58,962
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 287,047	$ (14,563)	$ 272,484
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		$	$	$ 0
241	Adult Day Services and Related Transportation		143,309		143,309
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		$ 430,356	$ (14,563)	$ 415,793

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

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
UNITED CARE HOMES - VALINDA	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1326192402	9

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
							RECLASSIFICATIONS OF REPORTED COSTS			
1	4.1	125	4	2	125	3	Lead Salaries	$21,544	($8,887)	$12,657 *
	4.1	135	4	2	135	3	Aides Salaries	84,028	8,887	92,915
							To reclassify aides salaries expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			
2	4.1	170	4	2	170	3	Physical Therapy Consultant	$0	$980	$980
	4.1	175	4	2	175	3	Occupational Therapy Consultant	1,529	(980)	549
							To reclassify physical therapy expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
UNITED CARE HOMES - VALINDA	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1326192402	9

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			
3	4	045	4	2	045	3	Depreciation and Amortization To eliminate depreciation 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)	$2,394	($2,394)	$0
4	4	080	4	2	080	3	Home Operations and Maintenance To eliminate expense applicable to the other facility and due to insufficient documentation. 42 CFR 413.9 (c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2105, 2300 and 2304	$6,434	($995)	$5,439 *
5	4.1	125	4	2	125	3	Lead Salaries * To allocate lead salaries expense to the facility for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$12,657	$9,960	$22,617
6	4.1	190	4	2	190	3	Psychologist Consultant To eliminate services not included in the routine rate. CCR, Title 22, Section 51510.3	$797	($772)	$25
7	4.1	230	4	2	230	3	Other General and Administrative To eliminate legal fees expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$22,706	($2,000)	$20,706 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
UNITED CARE HOMES - VALINDA	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1326192402	9

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			
8	4.1	230	4	2	230	3	Other General and Administrative *	$20,706	($425)	$20,281 *
							To adjust licensing fees 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			
9	4	080	4	2	080	3	Home Operations and Maintenance *	$5,439	($3,453)	$1,986
	4	085	4	2	085	3	Utilities	7,635	(195)	7,440
	4	090	4	2	090	3	Client Transportation	5,769	(3,325)	2,444
	4	100	4	2	100	3	Personal Care and Laundry	2,424	(983)	1,441
	4.1	130	4	2	130	3	Lead Fringe Benefits	3,147	(189)	2,958
	4.1	140	4	2	140	3	Aides Fringe Benefits	12,530	(726)	11,804
	4.1	150	4	2	150	3	Other Fringe Benefits	946	(57)	889
	4.1	185	4	2	185	3	Nurse Consultant	32,909	(221)	32,688
	4.1	220	4	2	220	3	Administrative Salaries	23,332	(23,332)	0
	4.1	225	4	2	225	3	Administrative Fringe Benefits	3,739	(3,739)	0
	4.1	230	4	2	230	3	Other General and Administrative *	20,281	18,283	38,564
							To adjust reported home office costs to agree with the United Care Homes, Inc. Home Office Audit Report for fiscal period ended December 31, 2011.			
							42 CFR 413.17 and 413.24			
							CMS Pub. 15-1, Sections 2150.2 and 2304			

*Balance carried forward from prior/to subsequent adjustments