

**REPORT
ON THE
RATE SETTING AUDIT**

**WILVERN HOUSE
REDDING, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1649326547**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Robert Kwick
Audit Supervisor: Kelly Ostrom
Auditor: Douglas Evans**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 22, 2013

Dana Emerson, Owner
Wilvern House
2970 Innsbruck Dr, Suite C
Redding, CA 96003

WILVERN HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1649326547
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	\$	322,990	\$ 152.79
Net Audit Adjustment		<u>(42,114)</u>	<u>(19.93)</u>
Audited Cost/Cost Per Day	\$	<u>280,876</u>	\$ <u>132.86</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.

Dana Emerson
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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:

John Melton, 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—Sacramento at (916) 650-6994.

Original Signed By

Robert Kvick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
WILVERN HOUSE

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

Provider NPI:
1649326547

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,830	1,830
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)	284	284
4. Total Client Days	<u>2,114</u>	<u>2,114</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>322,990</u>	\$ <u>280,876</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>152.79</u>	\$ <u>132.86</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:
WILVERN HOUSE

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

Provider NPI:
1649326547

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	\$ 0	\$ 9,213	\$ 9,213
050	Leases and Rentals	1	34,091	(34,091)	0
055	Real Property Taxes	3	0	3,474	3,474
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		2,922		2,922
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 37,013	\$ (21,404)	\$ 15,609
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	5	\$ 14,050	\$ (107)	\$ 13,943
085	Utilities		6,296		6,296
090	Client Transportation (excluding Adult Day Services)		22		22
095	Dietary		9,115		9,115
100	Personal Care and Laundry		155		155
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 29,638	\$ (107)	\$ 29,531
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 66,651	\$ (21,511)	\$ 45,140
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 0	\$	\$ 0
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		27,512		27,512
130	Lead Benefits		1,384		1,384
135	Aides Salaries		83,312		83,312
140	Aides Benefits		15,843		15,843
145	Other Salaries		0		0
150	Other Benefits		126		126
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 128,177	\$ 0	\$ 128,177

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
WILVERN HOUSE

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

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1649326547

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 31	\$	\$ 31
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		718		718
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		284		284
185	Nurse Consultant		0		0
190	Psychologist Consultant		235		235
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		557		557
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 1,825	\$ 0	\$ 1,825
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		23,618		23,618
230	Other General and Administrative*** (Excluding Adult Day Services)	4	102,719	(20,603)	82,116
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 126,337	\$ (20,603)	\$ 105,734
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 322,990	\$ (42,114)	\$ 280,876
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 322,990	\$ (42,114)	\$ 280,876

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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
Wilvern House							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1649326547		5
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>										
1	4	50	4	2	50	Leases and Rentals To eliminate rental/lease 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	\$34,091	(\$34,091)	\$0	
2	4	45	4	2	45	Depreciation and Amortization To include cost of ownership depreciation expense: 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	\$9,213	\$9,213	
3	4	55	4	2	55	Real Property Taxes To include cost of ownership property tax expense: 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	\$3,474	\$3,474	
4	4.1	230	4	2	230	Other General and Administrative To adjust reported home office costs to agree with the Mission Provider 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	\$102,719	(\$20,603)	\$82,116	
5	4	80	4	2	80	Home Operations and Maintenance To eliminate Home Operations and Maintenance expense(s) 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)	\$14,050	(\$107)	\$13,943	