

**REPORT
ON THE
RATE SETTING AUDIT
MINUET HOMES, INC.
PANORAMA CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1750617031
FISCAL PERIOD ENDED
JANUARY 31, 2012**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Gertrude Lake
Auditor: Lisa Ni**



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



EDMUND G. BROWN JR.
GOVERNOR

June 17, 2013

Edith Blackham, Administrator
Minuet Homes, Inc.
8566 Minuet Place
Panorama City, CA 91402

MINUET HOMES INC
NATIONAL PROVIDER IDENTIFIER (NPI) 1750617031
FISCAL PERIOD ENDED JANUARY 31, 2012

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	\$	241,317	\$ 157.01
Net Audit Adjustment		<u>(10,946)</u>	<u>(5.55)</u>
Audited Cost/Cost Per Day	\$	<u>230,371</u>	\$ <u>151.46</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 \$3,370, 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.

Edith Blackham
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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.

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:
MINUET HOMES, INC.

Fiscal Period:
FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012

Provider NPI:
1750617031

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 9)	1,387	1,521
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj 9)	150	0
4. Total Client Days	<u>1,537</u>	<u>1,521</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>241,317</u>	\$ <u>230,371</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>157.01</u>	\$ <u>151.46</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 10)	\$ <u>0</u>	\$ <u>3,370</u>
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:
MINUET HOMES, INC.

Fiscal Period:
FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012

Provider NPI:
1750617031

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	8	\$ 9,267	\$ 4,825	\$ 14,092
050	Leases and Rentals	7	33,466	(33,466)	0
055	Real Property Taxes	8	0	4,367	4,367
060	Personal Property Taxes		0		0
065	Mortgage Interest	8	0	18,210	18,210
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 42,733	\$ (6,064)	\$ 36,669
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 29,002	\$	\$ 29,002
085	Utilities		4,779		4,779
090	Client Transportation (excluding Adult Day Services)		8,765		8,765
095	Dietary		21,815		21,815
100	Personal Care and Laundry	4	10,266	(376)	9,890
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 74,627	\$ (376)	\$ 74,251
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 117,360	\$ (6,440)	\$ 110,920
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	3	\$ 10,924	\$ 800	\$ 11,724
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		0		0
130	Lead Fringe Benefits		0		0
135	Aides Salaries		45,477		45,477
140	Aides Fringe Benefits		2,476		2,476
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 58,877	\$ 800	\$ 59,677

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MINUET HOMES, INC.

Fiscal Period:
FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012

Provider NPI:
1750617031

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		232		232
170	Physical Therapy Consultant		1,203		1,203
175	Occupational Therapy Consultant		403		403
180	Pharmacist Consultant		0		0
185	Nurse Consultant		13,000		13,000
190	Psychologist Consultant		2,210		2,210
195	Physician Consultant		0		0
200	Recreational Consultant	6	480	40	520
205	Social Service Consultant		0		0
210	Other Consultant		775		775
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 19,798	\$ 40	\$ 19,838
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 30,000	\$	\$ 30,000
225	Administrative Fringe Benefits		705		705
226	Quality Assurance Fees (excluding Adult Day Services)		0		0
230	Other General and Administrative*** (Excluding Adult Day Services)	1,2,5	14,577	(5,346)	9,231
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 45,282	\$ (5,346)	\$ 39,936
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 241,317	\$ (10,946)	\$ 230,371
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)		\$ 241,317	\$ (10,946)	\$ 230,371

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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
MINUET HOMES, INC.							FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012	1750617031		10
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	4.1	230	4	2	230	2	Other General and Administrative To adjust facility license fees to agree with the facility license fee applicable to the audit period 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$14,577	(\$4,267)	\$10,310 *
2	4.1	230	4	2	230	2	Other General and Administrative To eliminate contribution/donation costs not related to patient care. 42 CFR 413.5(c)(7) and 413.9 CMS Pub. 15-1, Sections 608, 610 and 2102.3	* \$10,310	(\$256)	\$10,054 *
3	4.1	115	4	2	115	2	QMRP Salaries To adjust QMRP expense to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$10,924	\$800	\$11,724
4	4	100	4	2	100	2	Personal Care and Laundry To eliminate client allowance for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	\$10,266	(\$376)	\$9,890
5	4.1	230	4	2	230	2	Other General and Administrative To eliminate state income taxes. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2122.2A, 2122.2B, 2300 and 2304	* \$10,054	(\$823)	\$9,231
6	4.1	200	4	2	200	2	Recreational Consultant To adjust recreational consultant expense to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$480	\$40	\$520

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
MINUET HOMES, INC.							FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012	1750617031		10
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										
7	4	050	4	2	050	2	Leases and Rentals To eliminate related party lease expense. 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	\$33,466	(\$33,466)	\$0
8	4	045	4	2	045	2	Depreciation and Amortization	\$9,267	\$4,825	\$14,092
	4	055	4	2	055	2	Real Property Taxes	0	4,367	4,367
	4	065	4	2	065	2	Mortgage Interest To include cost of ownership in lieu of related party lease expenses in conjunction with adjustment number 7. 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	18,210	18,210

Provider Name							Fiscal Period	Provider NPI		Adjustments
MINUET HOMES, INC.							FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012	1750617031		10
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 REPORTED PATIENT DAYS</u>										
9	2	C 3	1	1	1	2	Medi-Cal Client Days	1,387	134	1,521
	2	C 3	3	1	3	2	Other Client Days	150	(150)	0
							To adjust client days to agree with the provider's client census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304			

Provider Name							Fiscal Period			Provider NPI		Adjustments
MINUET HOMES, INC.							FEBRUARY 1, 2011 THROUGH JANUARY 31, 2012			1750617031		10
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>												
10	Not Reported			1	1		Overpayment 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	\$3,370	\$3,370	