

**REPORT
ON THE
RATE SETTING AUDIT**

**ELIZABETH HOMES II
BUENA PARK, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1437241692**

**FISCAL PERIOD ENDED
JUNE 30, 2012**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Felipe Avila
Auditor: Ron Leiss**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: May 10, 2013

Elizabeth G. Santos, President
Elizabeth G. Santos, Inc.
6287 San Ricardo Way
Buena Park, CA 90620-2845

ELIZABETH HOMES II
NATIONAL PROVIDER IDENTIFIER: 1437241692
FISCAL PERIOD ENDED: JUNE 30, 2012

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:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	332,737	\$ 160.74
Net Audit Adjustment		(318)	(6.77)
Audited Cost/Cost Per Day	\$	<u>332,419</u>	\$ <u>153.97</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 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.

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

(Original signed by Margaret 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:
ELIZABETH HOMES II

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1437241692

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adjs 4,5)	2,070	0
2. Medi-Cal Managed Care Days (Adj 5)	0	2,159
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,070</u>	<u>2,159</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>332,737</u>	\$ <u>332,419</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>160.74</u>	\$ <u>153.97</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</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:
ELIZABETH HOMES II

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1437241692

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		\$ 2,642	\$	\$ 2,642
050	Leases and Rentals				0
055	Real Property Taxes		2,808		2,808
060	Personal Property Taxes				0
065	Mortgage Interest		5,639		5,639
070	Property Insurance		879		879
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 11,968	\$ 0	\$ 11,968
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 4,075	\$ (144)	\$ 3,931
085	Utilities		5,066		5,066
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		13,145		13,145
100	Personal Care and Laundry	2	911	(24)	887
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 23,197	\$ (168)	\$ 23,029
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 35,165	\$ (168)	\$ 34,997
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	3	\$ 13,680	\$ (150)	\$ 13,530
120	QMRP Fringe Benefits				0
125	Lead Salaries		43,204		43,204
130	Lead Fringe Benefits		3,624		3,624
135	Aides Salaries		105,026		105,026
140	Aides Fringe Benefits		8,810		8,810
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 174,344	\$ (150)	\$ 174,194

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ELIZABETH HOMES II

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1437241692

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 960	\$	\$ 960
165	Speech Pathology Consultant		245		245
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		2,375		2,375
180	Pharmacist Consultant		380		380
185	Nurse Consultant		13,750		13,750
190	Psychologist Consultant		2,350		2,350
195	Physician Consultant				0
200	Recreational Consultant		2,160		2,160
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 22,220	\$ 0	\$ 22,220
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 13,000	\$	\$ 13,000
225	Administrative Fringe Benefits		1,091		1,091
226	Quality Assurance Fees (excluding Adult Day Services)		16,702		16,702
230	Other General and Administrative*** Adult Day Services) (Excluding		70,215		70,215
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 101,008	\$ 0	\$ 101,008
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 332,737	\$ (318)	\$ 332,419
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 332,737	\$ (318)	\$ 332,419

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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		
ELIZABETH HOMES II		JULY 1, 2011 THROUGH JUNE 30, 2012				1437241692		5		
Adj. No.	DHS 3076 Page or Exhibit	Report References				Line	Sch.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report		Col.					
ADJUSTMENTS TO REPORTED COSTS										
1	4	80	4	2	80	3		\$4,075	(\$144)	\$3,931
Home Operations and Maintenance To adjust minor repair 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 230€										
2	4	100	4	2	100	3		\$911	(\$24)	\$887
Personal Care and Laundry To adjust personal care and laundry 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 230€										
3	4.1	115	4	2	115	3		\$13,680	(\$150)	\$13,530
QMRP Salaries To reconcile the reported QMRP salaries to agree with the provider's actual expense. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										

Provider Name		Fiscal Period		Provider NPI		Adjustments			
ELIZABETH HOMES II		JULY 1, 2011 THROUGH JUNE 30, 2012		1437241692		5			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		AS Reported	Increase (Decrease)	AS Adjusted	
		Line	Col.	Sch.	Line				Col
<u>ADJUSTMENTS TO REPORTED PATIENT DAYS</u>									
4	2	3	N/A	1	1	3	2,070	89	2,159 *
Medi-Cal Patient Days To adjust Medi-Cal patient days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 CMS. Pub. 15-1, Sections 2205 and 2304									
5	2	3	N/A	1	1	3	2,159	(2,159)	0
Medi-Cal Patient Days Medi-Cal Mangaged Care Days To reclassify Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304									
	Not Reported			1	2	3	0	2,159	2,159

*Balance carried forward from prior/to subsequent adjustments