

**REPORT  
ON THE  
RATE SETTING AUDIT**

**ELIZABETH HOMES – SAN RAFAEL  
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: David Ellis**



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 – SAN RAFAEL  
NATIONAL PROVIDER IDENTIFIER (NPI) 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	\$	321,787	\$ 154.85
Net Audit Adjustment		(1,608)	(5.44)
Audited Cost/Cost Per Day	\$	<u>320,179</u>	\$ <u>149.41</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.

Elizabeth G. Santos  
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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:

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 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 - SAN RAFAEL

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

**Provider NPI:**  
1437241692

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	0	0
2. Medi-Cal Managed Care Days (Adj 6)	2,078	2,143
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,078</u>	<u>2,143</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>321,787</u>	\$ <u>320,179</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>154.85</u>	\$ <u>149.41</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 - SAN RAFAEL

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
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 1,848	\$	\$ 1,848
050	Leases and Rentals		0		0
055	Real Property Taxes		3,754		3,754
060	Personal Property Taxes		0		0
065	Mortgage Interest	2	3,290	(74)	3,216
070	Property Insurance		720		720
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 9,612	\$ (74)	\$ 9,538
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	3, 4	\$ 9,708	\$ (1,489)	\$ 8,219
085	Utilities		4,000		4,000
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		13,355		13,355
100	Personal Care and Laundry		791		791
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 27,854	\$ (1,489)	\$ 26,365
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 37,466	\$ (1,563)	\$ 35,903
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 9,810	\$	\$ 9,810
120	QMRP Fringe Benefits		0		0
125	Lead Salaries	1	34,152	(3,290)	30,862
130	Lead Fringe Benefits		2,598		2,598
135	Aides Salaries		104,609		104,609
140	Aides Fringe Benefits		8,806		8,806
145	Other Salaries	1	0	3,290	3,290
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 159,975	\$ 0	\$ 159,975

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
ELIZABETH HOMES - SAN RAFAEL

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
<b>EXPENSES: CONSULTANT COSTS</b>					
160	Dietician Consultant		\$ 960	\$	\$ 960
165	Speech Pathology Consultant		786		786
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		2,375		2,375
180	Pharmacist Consultant		380		380
185	Nurse Consultant	5	13,615	(45)	13,570
190	Psychologist Consultant		2,400		2,400
195	Physician Consultant		0		0
200	Recreational Consultant		2,160		2,160
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 22,676	\$ (45)	\$ 22,631
<b>EXPENSES: ADMINISTRATIVE COSTS</b>					
220	Administrative Salaries **		\$ 13,000	\$	\$ 13,000
225	Administrative Fringe Benefits		1,094		1,094
226	Quality Assurance Fees (excluding Adult Day Services)		17,126		17,126
230	Other General and Administrative*** (Excluding Adult Day Services)		70,450		70,450
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 101,670	\$ 0	\$ 101,670
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 321,787	\$ (1,608)	\$ 320,179
<b>NON-CLIENT CARE EXPENSES</b>			(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)		\$ 321,787	\$ (1,608)	\$ 320,179

\*\* 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 - SAN RAFAEL							JULY 1, 2011 THROUGH JUNE 30, 2012			1437241692		6
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						
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>												
1	4.1	125	4	2	125	3	Lead Salaries	\$34,152	(\$3,290)	\$30,862		
	4.1	145	4	2	145	3	Other Salaries	0	3,290	3,290		
To reclassify other salaries expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304												

Provider Name							Fiscal Period	Provider NPI		Adjustments
ELIZABETH HOMES - SAN RAFAEL							JULY 1, 2011 THROUGH JUNE 30, 2012	1437241692		6
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				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
2	4	065	4	2	065	3	Mortgage Interest To reflect the proper accrual of mortgage interest expense applicable to the audit period. 42 CFR 413.5 and 413.24 / CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$3,290	(\$74)	\$3,216
3	4	080	4	2	080	3	Home Operations and Maintenance To eliminate purchases expense relating to an item that was returned to the manufacturer during the item's warranty period. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$9,708	(\$412)	\$9,296 *
4	4	080	4	2	080	3	Home Operations and Maintenance To eliminate an expense relating to the purchase of a treadmill, which the provider confirmed is not at the facility. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	* \$9,296	(\$1,077)	\$8,219
5	4.1	185	4	2	185	3	Nurse Consultant To reconcile reported nurse consultant expense to agree with the provider's paid invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$13,615	(\$45)	\$13,570

\*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
ELIZABETH HOMES - SAN RAFAEL				JULY 1, 2011 THROUGH JUNE 30, 2012				1437241692		6
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				
<b><u>ADJUSTMENT TO REPORTED PATIENT DAYS</u></b>										
6	2	3	N/A	1	2	1	Medi-Cal Managed Care Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 / CMS Pub. 15-1, Sections 2205, 2300 and 2304 CCR Title 22, Section 51535	2,078	65	2,143