

**REPORT  
ON THE  
RATE SETTING AUDIT  
TUPPER HOUSE  
NORTH HILLS, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1245383975  
FISCAL PERIOD ENDED  
JUNE 30, 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: Alison Dowling**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 25, 2013

Viji Krishnaswamy  
Finance Manager  
Valley Village  
20830 Sherman Way  
Winnetka, CA 91306

TUPPER HOUSE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1245383975  
FISCAL PERIOD ENDED JUNE 30, 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	\$	357,455	\$ 162.78
Net Audit Adjustment		(5,244)	(2.39)
Audited Cost/Cost Per Day	\$	<u>352,211</u>	\$ <u>160.39</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 \$507, 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.

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.

Viji Krishnaswamy  
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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:**  
TUPPER HOUSE

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

**Provider NPI:**  
1245383975

**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 10)	0	2,196
2. Medi-Cal Managed Care Days (Adj 10)	2,196	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,196</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>357,455</u>	\$ <u>352,211</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>162.78</u>	\$ <u>160.39</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj 11)	\$ <u>0</u>	\$ <u>470</u>
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**OVERPAYMENTS**

1. Duplicate Payments (Adj )	\$ <u>0</u>	\$ <u>0</u>
2. Credit Balances (Adj 12)	\$ <u>0</u>	\$ <u>37</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>37</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
TUPPER HOUSE

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

Provider NPI:  
1245383975

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		\$ 0	\$ 0	\$ 0
050	Leases and Rentals		0	0	0
055	Real Property Taxes		0	0	0
060	Personal Property Taxes		0	0	0
065	Mortgage Interest		0	0	0
070	Property Insurance		2,672	0	2,672
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,672	\$ 0	\$ 2,672
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	2	\$ 1,483	\$ (421)	\$ 1,062
085	Utilities		2,032	0	2,032
090	Client Transportation (excluding Adult Day Services)	3, 4	24,354	(1,673)	22,681
095	Dietary		26,178	0	26,178
100	Personal Care and Laundry	5, 6, 7	10,822	(2,345)	8,477
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 64,869	\$ (4,439)	\$ 60,430
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 67,541	\$ (4,439)	\$ 63,102
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 12,045	\$ 0	\$ 12,045
120	QMRP Fringe Benefits		3,976	0	3,976
125	Lead Salaries		60,948	0	60,948
130	Lead Fringe Benefits		20,841	0	20,841
135	Aides Salaries		63,780	0	63,780
140	Aides Fringe Benefits		7,955	0	7,955
145	Other Salaries		19,984	0	19,984
150	Other Fringe Benefits		7,184	0	7,184
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 196,713	\$ 0	\$ 196,713

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
TUPPER HOUSE

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

Provider NPI:  
1245383975

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		\$ 594	\$ 0	\$ 594
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		2,029	0	2,029
180	Pharmacist Consultant		455	0	455
185	Nurse Consultant		0	0	0
190	Psychologist Consultant		3,359	0	3,359
195	Physician Consultant	8	1,696	(496)	1,200
200	Recreational Consultant		0	0	0
205	Social Service Consultant		0	0	0
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,133	\$ (496)	\$ 7,637
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 143	\$ 0	\$ 143
225	Administrative Fringe Benefits		0	0	0
226	Quality Assurance Fees (excluding Adult Day Services)	1	22,257	(3,317)	18,940
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 9	62,668	3,008	65,676
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 85,068	\$ (309)	\$ 84,759
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 357,455	\$ (5,244)	\$ 352,211
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 1,961	\$ 0	\$ 1,961
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 359,416	\$ (5,244)	\$ 354,172

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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		
TUPPER HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1245383975	12		
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	226	4	2	226	2	Quality Assurance Fees	\$22,257	(\$3,317)	\$18,940	
	4.1	230	4	2	230	2	Other General and Administrative To reclassify the license fee expense for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	62,668	3,317	65,985 *	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
TUPPER HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1245383975		12
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.				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
2	4	80	4	2	80	2	Home Operations and Maintenance To eliminate the home operations and maintenance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,483	(\$421)	\$1,062
	4	90	4	2	90	2	Client Transportation	\$24,354		
3							To eliminate the car repair expense reimbursed by the facility's car insurance company. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$536)	
4							To eliminate the gasoline expense incurred by a related facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		<u>(1,137)</u> <u>(\$1,673)</u>	\$22,681

Provider Name							Fiscal Period	Provider NPI		Adjustments
TUPPER HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1245383975		12
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.				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
	4	100	4	2	100	2	Personal Care and Laundry	\$10,822		
5							To eliminate the legend drug expenses that are not part of the routine rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.2		(\$1,299)	
6							To eliminate the Valley Care Pharmacy expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(94)	
7							To eliminate the non covered expenses that are not part of the routine rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.2		<u>(952)</u> <u>(\$2,345)</u>	\$8,477
8	4.1	195	4	2	195	2	Physician Consultant To eliminate the podiatrist expense not included in the routine rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 51310 and 51510.2	\$1,696	(\$496)	\$1,200
9	4.1	230	4	2	230	2	Other General and Administrative To adjust the reported license fee expense to agree with the invoices applicable to the fiscal period under audit. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$65,985	(\$309)	\$65,676
*Balance carried forward from prior/to subsequent adjustments										

Provider Name				Fiscal Period				Provider NPI		Adjustments
TUPPER HOUSE				JULY 1, 2011 THROUGH JUNE 30, 2012				1245383975		12
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>										
10	2	3	2	1	2	2	Medi-Cal Managed Care Days	2,196	(2,196)	0
	2	3	1	1	1	2	Medi-Cal Client Days To reclassify the Medi-Cal Fee for Service days improperly reported as Medi-Cal Managed Care days. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	2,196	2,196

Provider Name				Fiscal Period				Provider NPI		Adjustments
TUPPER HOUSE				JULY 1, 2011 THROUGH JUNE 30, 2012				1245383975		12
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 OTHER MATTERS</u></b>										
11	Not Reported			1	1	2	Share of Cost Adjustments 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	\$470	\$470
12	Not Reported			1	2	2	Credit Balances To recover outstanding Medi-Cal credit balances. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 50761 and 51458.1	\$0	\$37	\$37