REPORT
ON THE
RATE SETTING AUDIT

VALJEAN DD HOME
NORTH HILLS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1720209042

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: Allen Dervi
Auditor: Kevin Grace

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

June 27, 2013

Edna Ramos, Controller
The Help Group
13130 Burbank Boulevard
Sherman Oaks, CA 91401

VALJEAN DD HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1720209042
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	344,665	$	169.79
Net Audit Adjustment		6,168		3.03
Audited Cost/Cost Per Day	$	350,833	$	172.82

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 $19,362, 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.

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:
VALJEAN DD HOME

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

Provider NPI:
1720209042

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 9)	0	2,030
2. Medi-Cal Managed Care Days (Adj 9)	2,030	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	2,030	2,030
5. Total Client Care Expenses (From Sch. 2)	$ 344,665	$ 350,833
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 169.79	$ 172.82
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 10)	$ NA	$ 19,362
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$ 0	$ 0
2. Credit Balances (Adj)	$ 0	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VALJEAN DD HOME

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

Provider NPI:
1720209042

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		$ 932	$ 0	$ 932
050	Leases and Rentals		1,455	0	1,455
055	Real Property Taxes		0	0	0
060	Personal Property Taxes		0	0	0
065	Mortgage Interest		6,006	0	6,006
070	Property Insurance	4	3,449	(708)	2,741
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 11,842	$ (708)	$ 11,134
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 584	$ 0	$ 584
085	Utilities		0	0	0
090	Client Transportation (excluding Adult Day Services)	2	0	5,145	5,145
095	Dietary		18,415	0	18,415
100	Personal Care and Laundry	2, 5	17,023	(4,846)	12,177
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 36,022	$ 299	$ 36,321
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 47,864	$ (409)	$ 47,455
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 14,906	$ 0	$ 14,906
120	QMRP Fringe Benefits	6	2,970	(69)	2,901
125	Lead Salaries		129,102	0	129,102
130	Lead Fringe Benefits	6	25,546	(420)	25,126
135	Aides Salaries		0	0	0
140	Aides Fringe Benefits		0	0	0
145	Other Salaries		17,678	0	17,678
150	Other Fringe Benefits	6	3,049	391	3,440
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 193,253	$ (98)	$ 193,155

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VALJEAN DD HOME

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

Provider NPI:
1720209042

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 0	$ 0	$ 0
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		0	0	0
180	Pharmacist Consultant		169	0	169
185	Nurse Consultant		527	0	527
190	Psychologist Consultant		0	0	0
195	Physician Consultant		0	0	0
200	Recreational Consultant		1,113	0	1,113
205	Social Service Consultant		0	0	0
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 1,809	$ 0	$ 1,809
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$ 44,177	$ 0	$ 44,177
225	Administrative Fringe Benefits	6	8,499	98	8,597
226	Quality Assurance Fees (excluding Adult Day Services)	1, 3	26,073	(3,464)	22,609
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 3, 4, 7, 8	22,990	10,041	33,031
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 101,739	$ 6,675	$ 108,414
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 344,665	$ 6,168	$ 350,833
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		$ 0	$ 0	$ 0
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		$ 344,665	$ 6,168	$ 350,833

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALJEAN DD HOME	JULY 1, 2011 THROUGH JUNE 30, 2012	1720209042	10

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATION OF REPORTED COSTS			
1	4.1	226	4	2	226	2	Quality Assurance Fees	$26,073	($3,326)	$22,747 *
	4.1	230	4	2	230	2	Other General and Administrative	22,990	3,326	26,316 *
							To reclassify non QA fee general expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			
2	4	100	4	2	100	2	Personal Care and Laundry	$17,023	($5,145)	$11,878 *
	4	090	4	2	090	2	Client Transportation	0	5,145	5,145
							To reclassify auto expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			
3	4.1	226	4	2	226	2	Quality Assurance Fees *	$22,747	($138)	$22,609
	4.1	230	4	2	230	2	Other General and Administrative *	26,316	138	26,454 *
							To reclassify non QA fee general expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			
4	4	070	4	2	070	2	Property Insurance	$3,449	($708)	$2,741
	4.1	230	4	2	230	2	Other General and Administrative *	26,454	708	27,162 *
							To reclassify liability insurance expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALJEAN DD HOME	JULY 1, 2011 THROUGH JUNE 30, 2012	1720209042	10

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS				
5	4	100	4	2	100	2	Personal Care and Laundry To include client expense that was booked in the expenses of the Acre House and was subsequently eliminated in the audit. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	*	$11,878	$299	$12,177
6	4.1	120	4	2	120	2	QMRP Fringe Benefits		$2,970	($69)	$2,901
	4.1	130	4	2	130	2	Lead Fringe Benefits		25,546	(420)	25,126
	4.1	150	4	2	150	2	Other Fringe Benefits		3,049	391	3,440
	4.1	225	4	2	225	2	Administrative Fringe Benefits To adjust the reported allocation of employee benefits, based on reported salaries, to agree with the computation based on audited salaries. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		8,499	98	8,597
7	4.1	230	4	2	230	2	Other General and Administrative To adjust home office costs to agree with the filed The Help Group Home Office Cost Report for fiscal period ended June 30, 2012. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	*	$27,162	$6,333	$33,495 *
8	4.1	230	4	2	230	2	Other General and Administrative To abate miscellaneous revenue against the related costs. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328 CMS Pub. 15-2, Section 3613	*	$33,495	($464)	$33,031

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALJEAN DD HOME	JULY 1, 2011 THROUGH JUNE 30, 2012	1720209042	10

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED PATIENT DAYS			
9	2	C 3	1	1	1	2	Medi-Cal Client Days	0	2,030	2,030
	2	C 3	2	1	2	2	Medi-Cal Managed Care Days	2,030	(2,030)	0
							To reclassify Medi-Cal fee for service client days for proper disclosure.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Section 2304			

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALJEAN DD HOME	JULY 1, 2011 THROUGH JUNE 30, 2012	1720209042	10

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO OTHER MATTERS			
10	Not Reported			1	1	2	Share of Cost Audit Adjustment 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	$19,362	$19,362