

**REPORT
ON THE
RATE SETTING AUDIT**

**TRI-ELIZABETH III – SAN PACO
BUENA PARK, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1205857315**

**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: Lang Doan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: May 23, 2013

Shannon Gustafson
Staff Accountant
HGI Financial Services
9240 Limonite Avenue
Riverside, CA 92509

TRI-ELIZABETH III – SAN PACO
NATIONAL PROVIDER IDENTIFIER (NPI) 1205857315
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	\$	418,982		\$ 190.79
Net Audit Adjustment		(891)		(0.40)
Audited Cost/Cost Per Day	\$	<u>418,091</u>		\$ <u>190.39</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.

Shannon Gustafson
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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:
TRI-ELIZABETH III - SAN PACO

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

Provider NPI:
1205857315

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	0	0
2. Medi-Cal Managed Care Days (Adj)	2,196	2,196
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>418,982</u>	\$ <u>418,091</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>190.79</u>	\$ <u>190.39</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:
TRI-ELIZABETH III - SAN PACO

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

Provider NPI:
1205857315

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	\$ 11,650	\$ (180)	\$ 11,470
050	Leases and Rentals				0
055	Real Property Taxes		2,382		2,382
060	Personal Property Taxes				0
065	Mortgage Interest		3,751		3,751
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 17,783	\$ (180)	\$ 17,603
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,561	\$	\$ 6,561
085	Utilities		5,127		5,127
090	Client Transportation (excluding Adult Day Services)		6,178		6,178
095	Dietary		17,695		17,695
100	Personal Care and Laundry		2,044		2,044
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,605	\$ 0	\$ 37,605
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 55,388	\$ (180)	\$ 55,208
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 8,033	\$	\$ 8,033
120	QMRP Fringe Benefits				0
125	Lead Salaries		42,547		42,547
130	Lead Fringe Benefits		6,940		6,940
135	Aides Salaries		44,648		44,648
140	Aides Fringe Benefits		7,283		7,283
145	Other Salaries		75,535		75,535
150	Other Fringe Benefits		11,513		11,513
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 196,499	\$ 0	\$ 196,499

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TRI-ELIZABETH III - SAN PACO

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

Provider NPI:
1205857315

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,440	\$	\$ 1,440
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		660		660
175	Occupational Therapy Consultant		2,145		2,145
180	Pharmacist Consultant		500		500
185	Nurse Consultant		717		717
190	Psychologist Consultant	1	500	(500)	0
195	Physician Consultant				0
200	Recreational Consultant		720		720
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,682	\$ (500)	\$ 6,182
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,215		22,215
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 3	138,198	(211)	137,987
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 160,413	\$ (211)	\$ 160,202
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 418,982	\$ (891)	\$ 418,091
	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)		\$ 418,982	\$ (891)	\$ 418,091

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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
TRI-ELIZABETH III - SAN PACO							JULY 1, 2011 THROUGH JUNE 30, 2012			1205857315		3
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No						
<u>RECLASSIFICATION OF REPORTED COSTS</u>												
1	4.1	190	4	2	190	3	Psychologist Consultant		\$500	(\$500)	\$0	
	4.1	230	4	2	230	3	Other General and Administrative		138,198	500	138,698 *	
							To reclassify psychologist expense to Other General and Administrative because the consulting service is administrative. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 51510.3, and 51505.3					

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments	
TRI-ELIZABETH III - SAN PACO							JULY 1, 2011 THROUGH JUNE 30, 2012	1205857315	3	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
2	4	045	4	2	045	3	Depreciation and Amortization To adjust the reported depreciation expense of a sprinkler system to agree with the provider's depreciation schedule and invoice. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$11,650	(\$180)	\$11,470
3	4.1	230	4	2	230	3	Other General and Administrative To eliminate interest expense paid to the owner. 42 CFR 413.153 and 413.17 CMS Pub. 15-1, Sections 200, 218, 1000, and 2304	* \$138,698	(\$711)	\$137,987

*Balance carried forward from prior/to subsequent adjustments