

**REPORT
ON THE
RATE SETTING AUDIT**

**DEBOER HOMES #1 SAN LUCIA
PORTERVILLE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1396932273**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Michael Harrold
Audit Supervisor: Linda King
Auditor: Inosencia Aparicio**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 09, 2013

Breann Deboer, Administrator
Deboer Homes # 1 San Lucia
2211 W. Orange Avenue
Porterville, CA 93257

DEBOER HOMES # 1 SAN LUCIA
NATIONAL PROVIDER IDENTIFIER (NPI) 1396932273
FISCAL PERIOD ENDED DECEMBER 31, 2011

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	\$	348,874	\$ 160.40
Net Audit Adjustment		<u>(66,726)</u>	<u>(31.57)</u>
Audited Cost/Cost Per Day	\$	<u>282,148</u>	\$ <u>128.83</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 \$6,559, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statements of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider and other financial transactions initiated by the Department. The Statements of Account

Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statements 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 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.

Breann Deboer
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed By

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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

Provider:
DEBOER HOMES #1 SAN LUCIA

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1396932273

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 11)	2,175	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,175</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>348,874</u>	\$ <u>282,148</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>160.40</u>	\$ <u>128.83</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 12)	\$ <u>NA</u>	\$ <u>(6,559)</u>
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:
DEBOER HOMES #1 SAN LUCIA

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1396932273

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	\$ 16,693	\$ (16,693)	\$ 0
050	Leases and Rentals		0		0
055	Real Property Taxes		968		968
060	Personal Property Taxes	3-4	1,761	(1,679)	82
065	Mortgage Interest	5	12,811	(12,811)	0
070	Property Insurance	1	4,303	(1,609)	2,694
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 36,536	\$ (32,792)	\$ 3,744
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	8	\$ 41,015	\$ (30,996)	\$ 10,019
085	Utilities		7,473		7,473
090	Client Transportation (excluding Adult Day Services)	9	9,019	(2,034)	6,985
095	Dietary		25,315		25,315
100	Personal Care and Laundry		3,695		3,695
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 86,517	\$ (33,030)	\$ 53,487
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 123,053	\$ (65,822)	\$ 57,231
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 6,000	\$	\$ 6,000
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		0		0
130	Lead Fringe Benefits		0		0
135	Aides Salaries		0		0
140	Aides Fringe Benefits		0		0
145	Other Salaries		137,690		137,690
150	Other Fringe Benefits		23,668		23,668
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 167,358	\$ 0	\$ 167,358

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DEBOER HOMES #1 SAN LUCIA

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1396932273

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant	7	\$ 1,512	\$ (300)	\$ 1,212
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant	6	1,100	(1,100)	0
185	Nurse Consultant		15,600		15,600
190	Psychologist Consultant		27		27
195	Physician Consultant		30		30
200	Recreational Consultant		180		180
205	Social Service Consultant		12,000		12,000
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 30,449	\$ (1,400)	\$ 29,049
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 1,525		\$ 1,525
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		19,957		19,957
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 10	6,532	496	7,028
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 28,014	\$ 496	\$ 28,510
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 348,874	\$ (66,726)	\$ 282,148
NON-CLIENT CARE EXPENSES			(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 400		\$ 400
241	Adult Day Services and Related Transportation		190,305		190,305
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 539,579	\$ (66,726)	\$ 472,853

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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
DEBOER HOMES #1 SAN LUCIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1396932273		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						
<u>RECLASSIFICATION OF REPORTED COSTS</u>												
1	4.1	230	4	2	230	3	Other General and Administrative	\$6,532	\$1,609	\$8,141 *		
	4	70	4	2	70	3	Property Insurance	4,303	(1,609)	2,694		
							To reclassify general liability to the proper cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304					

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
DEBOER HOMES #1 SAN LUCIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1396932273	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					
ADJUSTMENTS TO REPORTED COSTS											
2	4	45	4	2	45	3	Depreciation and Amortization To eliminate depreciation expense due to lack of documentatio 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 102, 2300 and 2304 W&I Code 14124.2(b)	\$16,693	(\$16,693)	\$0	
	4	60	4	2	60	3	Personal Property Taxes	\$1,761			
3							To eliminate city of Porterville expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		(\$1,213)		
4							To eliminate DMV expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		(466) (\$1,679)	\$82	
5	4	65	4	2	65	3	Mortgage Interest To eliminate mortgage interest expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$12,811	(\$12,811)	\$0	
6	4.1	180	4	2	180	3	Pharmacist Consultant To eliminate pharmacist consultant due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$1,100	(\$1,100)	\$0	

Provider Name							Fiscal Period	Provider NPI		Adjustments	
DEBOER HOMES #1 SAN LUCIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1396932273		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					
ADJUSTMENTS TO REPORTED COSTS											
7	4.1	160	4	2	160	3	Dietitian Consultant To eliminate dietitian fuel expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,512	(\$300)	\$1,212	
8	4	80	4	2	80	3	Home Operations and Maintenance To eliminate home operations expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$41,015	(\$30,996)	\$10,019	
9	4	90	4	2	90	3	Client Transportation To eliminate auto insurance due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$9,019	(\$2,034)	\$6,985	
10	4.1	230	4	2	230	3	Other General and Administrative To eliminate legal fees due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$8,141	(\$1,113)	\$7,028

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
DEBOER HOMES #1 SAN LUCIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1396932273		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				
<u>ADJUSTMENT TO REPORTED CLIENT DAYS</u>										
11	2	3	1	1	1	2	Total Medi-Cal Client Days To adjust total Medi-Cal client days to agree with the provider's census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	2,175	15	2,190

Provider Name							Fiscal Period	Provider NPI		Adjustments
DEBOER HOMES #1 SAN LUCIA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1396932273		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				
<u>ADJUSTMENT TO OTHER MATTERS</u>										
12	N/A			1	1	2	Amount Due State To recover Medi-Cal overpayments because the share of cost was not properly deducted from the amount billed and due to lack of documentation. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	\$0	\$6,559	\$6,559