

**REPORT
ON THE
RATE SETTING AUDIT**

**WAWONA HOME
MANTECA, CALIFORNIA
PROVIDER NUMBER: 1356536965**

**FISCAL PERIOD ENDED
MARCH 31, 2010**

**Audits Section - Sacramento
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Steven Gary
Audit Supervisor: Delia Valencia
Auditor: Ellada Kalachov**



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



EDMUND G. BROWN JR.
GOVERNOR

November 18, 2011

Sherry Hylton, Administrator
Wawona Home
P.O. Box 293
Manteca, CA 95336

PROVIDER: WAWONA HOME
PROVIDER NO. 1356536965
FISCAL PERIOD ENDED MARCH 31, 2010

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 | \$ | 287,047 | \$ 131.07 |
| Net Audit Adjustment | | <u>(71,949)</u> | <u>(32.85)</u> |
| Audited Cost/Cost Per Day | \$ | <u>215,098</u> | \$ <u>98.22</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 Rate Development Branch.

Sherry Hylton, Administrator
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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:

John Melton, 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.

Sherry Hylton, Administrator
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If you have questions regarding this report, you may call the Audits Section—
Sacramento at (916) 650-6994.

Original Signed By

Steven Gary, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
WAWONA HOME

Fiscal Period:
APRIL 1, 2009 THROUGH MARCH 31, 2010

Provider NPI:
1356536965

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

| | AS REPORTED | AS AUDITED |
|--|------------------------|-----------------------|
| 1. Medi-Cal Client Days (Adj) | 2,190 | 2,190 |
| 2. Medi-Cal Managed Care Days (Adj) | 0 | 0 |
| 3. Other Client Days (Adj) | 0 | 0 |
| 4. Total Client Days | <u>2,190</u> | <u>2,190</u> |
| 5. Total Client Care Expenses (From Sch. 2) | \$ <u>287,047</u> | \$ <u>215,098</u> |
| 6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3) | \$ <u>131.07</u> | \$ <u>98.22</u> |

SHARE OF COST

| | | |
|--|--------------|-------------|
| 1. Share of Cost Audit Adjustment (Adj) | \$ <u>NA</u> | \$ <u>0</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:
WAWONA HOME

Fiscal Period:
APRIL 1, 2009 THROUGH MARCH 31, 2010

Provider NPI:
1356536965

| 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 | 1-2 | \$ 6,893 | \$ (1,755) | \$ 5,138 |
| 050 | Leases and Rentals | | 6,832 | | 6,832 |
| 055 | Real Property Taxes | | 2,552 | | 2,552 |
| 060 | Personal Property Taxes | | 0 | | 0 |
| 065 | Mortgage Interest | 3 | 8,085 | (8,085) | 0 |
| 070 | Property Insurance | | 3,601 | | 3,601 |
| 075 | TOTAL PROPERTY EXPENSES (Lines 045 through 070) | | \$ 27,963 | \$ (9,840) | \$ 18,123 |
| | Basic Facility Cost - General Home Expenses | | | | |
| 080 | Home Operations and Maintenance | | \$ 14,678 | \$ | \$ 14,678 |
| 085 | Utilities | | 13,622 | | 13,622 |
| 090 | Client Transportation (excluding Adult Day Services) | | (8,528) | | (8,528) |
| 095 | Dietary | | 21,997 | | 21,997 |
| 100 | Personal Care and Laundry | | 2,071 | | 2,071 |
| 105 | TOTAL GENERAL HOME EXPENSES (Lines 080 through 100) | | \$ 43,840 | \$ 0 | \$ 43,840 |
| 110 | TOTAL BASIC FACILITY COST (Lines 075 plus 105) | | \$ 71,803 | \$ (9,840) | \$ 61,963 |
| | EXPENSES: DIRECT CARE STAFF COSTS | | | | |
| 115 | QMRP Salaries | | \$ 10,779 | \$ | \$ 10,779 |
| 120 | QMRP Fringe Benefits | | 2,587 | | 2,587 |
| 125 | Lead Salaries | | 4,628 | | 4,628 |
| 130 | Lead Fringe Benefits | | 1,111 | | 1,111 |
| 135 | Aides Salaries | | 91,253 | | 91,253 |
| 140 | Aides Fringe Benefits | | 21,901 | | 21,901 |
| 145 | Other Salaries | | 1,679 | | 1,679 |
| 150 | Other Fringe Benefits | | 403 | | 403 |
| 155 | TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) | | \$ 134,341 | \$ 0 | \$ 134,341 |

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
WAWONA HOME

Fiscal Period:
APRIL 1, 2009 THROUGH MARCH 31, 2010

Provider NPI:
1356536965

| Line No. | DESCRIPTION | ADJ NO. | AS REPORTED Col. 1 | AUDIT ADJUSTMENT Col. 2 | AS AUDITED Col. 3 |
|---|---|---------|--------------------|-------------------------|-------------------|
| EXPENSES: CONSULTANT COSTS | | | | | |
| 160 | Dietician Consultant | | \$ 864 | \$ | \$ 864 |
| 165 | Speech Pathology Consultant | | 0 | | 0 |
| 170 | Physical Therapy Consultant | | 0 | | 0 |
| 175 | Occupational Therapy Consultant | | 0 | | 0 |
| 180 | Pharmacist Consultant | | 0 | | 0 |
| 185 | Nurse Consultant | | 0 | | 0 |
| 190 | Psychologist Consultant | | 550 | | 550 |
| 195 | Physician Consultant | | 0 | | 0 |
| 200 | Recreational Consultant | | 750 | | 750 |
| 205 | Social Service Consultant | | 0 | | 0 |
| 210 | Other Consultant | | 0 | | 0 |
| 215 | TOTAL CONSULTANT COST (Lines 160 through 210) | | \$ 2,164 | \$ 0 | \$ 2,164 |
| EXPENSES: ADMINISTRATIVE COSTS | | | | | |
| 220 | Administrative Salaries ** | 4 | \$ 41,002 | \$ (41,002) | \$ 0 |
| 225 | Administrative Fringe Benefits | 4 | 9,840 | (9,840) | 0 |
| 226 | Quality Assurance Fees (excluding Adult Day Services) | | 16,388 | | 16,388 |
| 230 | Other General and Administrative*** Adult Day Services) (Excluding | 4 | 11,509 | (11,267) | 242 |
| 235 | TOTAL ADMINISTRATIVE COST (Lines 220 through 230) | | \$ 78,739 | \$ (62,109) | \$ 16,630 |
| TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235) | | | \$ 287,047 | \$ (71,949) | \$ 215,098 |
| | | | (To Sch. 1) | | (To Sch. 1) |
| NON-CLIENT CARE EXPENSES | | | | | |
| 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) | | \$ 287,047 | \$ (71,949) | \$ 215,098 |

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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 Number | | Adjustments | | |
|---|---------------------|--------------------------------------|--------------|-----------------|--------|-------------|---------------------|-------------|
| WAWONA HOME | | APRIL 1, 2009 THROUGH MARCH 31, 2010 | | 1356536965 | | 4 | | |
| Adj. No. | DHS Page or Exhibit | Report References | | Sch | Line | As Reported | Increase (Decrease) | As Adjusted |
| | | Cost Report | Audit Report | | | | | |
| Line | Col. | Explanation of Audit Adjustments | | | | | | |
| <u>ADJUSTMENTS TO REPORTED COSTS</u> | | | | | | | | |
| 1 | 4 | 45 | 4 | 2 | 45.00 | \$6,893 | | |
| | | | | | | | | |
| | | | | | | | (\$186) | |
| 2 | | | | | | | | |
| | | | | | | | | |
| | | | | | | | (1,569) | |
| | | | | | | | (\$1,755) | \$5,138 |
| 3 | 4 | 65 | 4 | 2 | 65.00 | \$8,085 | | \$0 |
| | | | | | | | | |
| 4 | 4.1 | 220 | 4 | 2 | 220.00 | \$41,002 | (\$41,002) | \$0 |
| | 4.1 | 225 | 4 | 2 | 225.00 | 9,840 | (9,840) | 0 |
| | 4.1 | 230 | 4 | 2 | 230.00 | 11,509 | (11,267) | 242 |