

**REPORT
ON THE
RATE SETTING AUDIT**

**MARIE'S PRIVATE QUARTERS
GARDENA, CALIFORNIA
PROVIDER NUMBER: LTC61062F
NATIONAL PROVIDER IDENTIFIER: 1447468657**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Gary Chan**



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



EDMUND G. BROWN JR.
GOVERNOR

December 8, 2011

Jovett Scott, Administrator
Marie's Private Quarters
500 South Grand Avenue, 19th Floor
Los Angeles, CA 90071

PROVIDER: MARIE'S PRIVATE QUARTERS
PROVIDER NUMBER: LTC61062F
NATIONAL PROVIDER IDENTIFIER: 1447468657
FISCAL PERIOD ENDED: DECEMBER 31, 2010

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	\$	302,088	\$ 158.08
Net Audit Adjustment		(37,853)	(24.96)
Audited Cost/Cost Per Day	\$	<u>264,235</u>	\$ <u>133.12</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.

Jovett Scott
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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—Gardena at (310) 516-4757.

Original Signed By;

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

Jovett Scott
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cc: Maggie Briones, Consultant
13349 Ebell Street
Van Nuys, CA 91402

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

Provider:
MARIE'S PRIVATE QUARTERS

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1447468657

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 5)	1,911	1,985
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>1,911</u>	<u>1,985</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>302,088</u>	\$ <u>264,235</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>158.08</u>	\$ <u>133.12</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:
MARIE'S PRIVATE QUARTERS

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1447468657

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		\$ 2,080	\$	\$ 2,080
050	Leases and Rentals				0
055	Real Property Taxes	1	3,809	(77)	3,732
060	Personal Property Taxes				0
065	Mortgage Interest	4	35,149	(35,149)	0
070	Property Insurance	2	1,329	(337)	992
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 42,367	\$ (35,563)	\$ 6,804
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3	\$ 15,013	\$ (2,290)	\$ 12,723
085	Utilities		3,698		3,698
090	Client Transportation (excluding Adult Day Services)		6,042		6,042
095	Dietary		18,842		18,842
100	Personal Care and Laundry		5,056		5,056
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 48,651	\$ (2,290)	\$ 46,361
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 91,018	\$ (37,853)	\$ 53,165
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 24,000	\$	\$ 24,000
120	QMRP Fringe Benefits				0
125	Lead Salaries		7,912		7,912
130	Lead Fringe Benefits		1,694		1,694
135	Aides Salaries		57,561		57,561
140	Aides Fringe Benefits		12,540		12,540
145	Other Salaries		16,411		16,411
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 120,118	\$ 0	\$ 120,118

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MARIE'S PRIVATE QUARTERS

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1447468657

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,038	\$	\$ 1,038
165	Speech Pathology Consultant		620		620
170	Physical Therapy Consultant		455		455
175	Occupational Therapy Consultant		520		520
180	Pharmacist Consultant		1,000		1,000
185	Nurse Consultant		8,904		8,904
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		900		900
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 13,437	\$ 0	\$ 13,437
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 36,000	\$	\$ 36,000
225	Administrative Fringe Benefits		3,084		3,084
226	Quality Assurance Fees (excluding Adult Day Services)		17,727		17,727
230	Other General and Administrative*** (Excluding Adult Day Services)		20,704		20,704
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 77,515	\$ 0	\$ 77,515
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 302,088	\$ (37,853)	\$ 264,235
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
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)		\$ 302,088	\$ (37,853)	\$ 264,235

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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		
MARIE'S PRIVATE QUARTERS		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010				1447468657		5		
Adj. No.	MC530 Page or Exhibit	Report References		Audit Report		Line	Sub No	As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.	Line					
ADJUSTMENTS TO REPORTED COSTS										
1	4	055	4	2	055	3		\$3,809	(\$77)	\$3,732
Real Property Taxes To adjust the reported real property tax expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										
2	4	070	4	2	070	3		\$1,329	(\$337)	\$992
Property Insurance To adjust the reported property insurance expenses to agree with invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										
3	4	080	4	2	080	3		\$15,013	(\$2,290)	\$12,723
Home Operations and Maintenance To eliminate home operations and maintenance expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										
4	4	065	4	2	065	3		\$35,149	(\$35,149)	\$0
Mortgage Interest To eliminate accrued mortgage interest expense since it was not liquidated within 1 year after the end of the cost reporting period. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300, 2304 and 2305										

Provider Name		Fiscal Period		Provider NPI		Adjustments		
MARIE'S PRIVATE QUARTERS		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1447468657		5		
Adj. No.	Report References			Line	Sub No	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report						
5	2	3	4	1	1	1,911	74	1,985
<p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Client Days</p> <p>To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data:</p> <p>Service Period: January 01, 2010 through December 31, 2010</p> <p>Payment Period: January 01, 2010 through July 31, 2011</p> <p>Report Date: August 26, 2011</p> <p>42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139</p> <p>CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408</p> <p>CCR, Title 22, Section 51541</p>								