REPORT
ON THE
RATE SETTING AUDIT

ST. FRANCIS HOME FOR CHILDREN
MORENO VALLEY, CALIFORNIA
PROVIDER NUMBER: LTC80045F
NATIONAL PROVIDER IDENTIFIER: 1780655720

FISCAL PERIOD ENDED
DECEMBER 31, 2010

Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Teri Hung

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: December 7, 2011

Adolfo Festejo
United Care Provider, Inc.
18800 Amar Road
Walnut, CA 91789

NOTICE OF MEDI-CAL FIELD AUDIT
PROVIDER: ST FRANCIS HOME FOR CHILDREN
PROVIDER NO. LTC80045F
NATIONAL PROVIDER IDENTIFIER 1780655720
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	390,204	$	210.81
Net Audit Adjustment		(31,940)		(17.88)
Audited Cost/Cost Per Day	$	358,264	$	192.93

This Audit Report includes the:

1. Audit Report Schedules 1 through 2

2 Audit Adjustment Schedules

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.

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
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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
P.O. Box 997413
Sacramento, CA 95899-7413

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 95814-5005
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and Title 22, California Code of Regulations, 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:
ST FRANCIS HOME FOR CHILDREN

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

Provider NPI:
1780655720

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 6)	1,851	1,857
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	1,851	1,857
5. Total Client Care Expenses (From Sch. 2)	$ 390,204	$ 358,264
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 210.81	$ 192.93
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ST FRANCIS HOME FOR CHILDREN

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

Provider NPI:
1780655720

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		$ 2,945	$	$ 2,945
050	Leases and Rentals		0		0
055	Real Property Taxes	1	3,537	(1,381)	2,156
060	Personal Property Taxes		0		0
065	Mortgage Interest	2	4,608	(2,726)	1,882
070	Property Insurance	3	313	(209)	104
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 11,403	$ (4,316)	$ 7,087
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 4,650	$	$ 4,650
085	Utilities	4	6,742	(404)	6,338
090	Client Transportation (excluding Adult Day Services)		292		292
095	Dietary		11,185		11,185
100	Personal Care and Laundry		5,563		5,563
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 28,432	$ (404)	$ 28,028
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 39,835	$ (4,720)	$ 35,115
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	5	$ 20,800	$ (13,093)	$ 7,707
120	QMRP Fringe Benefits		2,649		2,649
125	Lead Salaries		42,540		42,540
130	Lead Fringe Benefits		5,417		5,417
135	Aides Salaries		111,341		111,341
140	Aides Fringe Benefits		14,179		14,179
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 196,926	$ (13,093)	$ 183,833

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ST FRANCIS HOME FOR CHILDREN

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

Provider NPI:
1780655720

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 750	$	$ 750
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		375		375
175	Occupational Therapy Consultant		1,850		1,850
180	Pharmacist Consultant		0		0
185	Nurse Consultant		5,730		5,730
190	Psychologist Consultant		0		0
195	Physician Consultant		5,250		5,250
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		6,601		6,601
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 20,556	$ 0	$ 20,556
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	5	$ 58,798	$ (14,127)	$ 44,671
225	Administrative Fringe Benefits		7,487		7,487
226	Quality Assurance Fees (excluding Adult Day Services)		23,355		23,355
230	Other General and Administrative*** (Excluding Adult Day Services)		43,247		43,247
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 132,887	$ (14,127)	$ 118,760
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 390,204	$ (31,940)	$ 358,264
	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)		$ 390,204	$ (31,940)	$ 358,264

** List only direct administrative salaries incurred at the facility level
*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
ST. FRANCIS HOME FOR CHILDREN	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1780655720	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
1	4	055	4	2	55.00	3	Real Property Tax To reflect the proper accrual of real property taxes applicable to th audit period 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1	$3,537	($1,381)	$2,156
2	4	065	4	2	65.00	3	Mortgage Interest To eliminate mortgage interest expense because there is not sufficient documentation to determine that these costs are not subject to DEFRA. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$4,608	($2,726)	$1,882
3	4	070	4	2	70.00	3	Property Insurance To adjust the reported property insurance to agree with the audited invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$313	($209)	$104
4	4	085	4	2	85.00	3	Utilities To eliminate utilities expense expense not related to facility. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1	$6,742	($404)	$6,338
5	4	115	4	2	115.00	3	QMRP Salaries	$20,800	($13,093)	$7,707
	4	220	4	2	220.00	3	Administrative Salaries To adjust owners salaries to agree with the statistical median compensation tables. 42 CFR 413.102 HCFA Pub. 15-I, Sections 901, 902.3 , 904 and 2100	58,798	(14,127)	44,671

Provider Name	Fiscal Period	Provider NPI	Adjustments
ST. FRANCIS HOME FOR CHILDREN	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1780655720	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED PATIENT DAYS			
6	2	3	3	1	1.00	2	Total Patient Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	1,851	6	1,857