

**REPORT
ON THE
RATE SETTING AUDIT**

**ADRIAN WAY HOME
SAN RAFAEL, CALIFORNIA
PROVIDER NUMBER: LTC60091F AND
NPI NUMBER: 1588870158**

**FISCAL PERIOD ENDED
JUNE 30, 2009**

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

**Section Chief: Louise Wong
Audit Supervisor: Marisa Ho
Auditor: Marvin Reynolds**



DAVID MAXWELL-JOLLY
Director

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



EDMUND G. BROWN JR.
Governor

January 7, 2011

Chris Bonfiglio, Administrator
Adrian Way Home
35 Mitchell Boulevard, #8
San Rafael, CA 94903

PROVIDER: ADRIAN WAY HOME
PROVIDER NUMBER: LTC60091F
NPI NUMBER: 1588870158
FISCAL PERIOD ENDED JUNE 30, 2009

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	\$	467,075	\$ 213.28
Net Audit Adjustment		<u>(45,447)</u>	<u>(20.76)</u>
Audited Cost/Cost Per Day	\$	<u>421,628</u>	\$ <u>192.52</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.

Chris Bonfiglio
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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.

If you have questions regarding this report, you may call the Audits Section—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

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

Provider:
ADRIAN WAY HOME

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60091F

Provider NPI:
1588870158

**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. Other Client Days (Adj)		0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>467,075</u>	\$ <u>421,628</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>213.28</u>	\$ <u>192.52</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ADRIAN WAY HOME

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60091F

NPI:
1588870158

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1, 4	\$ 19,437	\$ (8,856)	\$ 10,581
050	Leases and Rentals		491	0	491
055	Real Property Taxes		726	0	726
060	Personal Property Taxes				0
065	Mortgage Interest		20,129	0	20,129
070	Property Insurance		958	0	958
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 41,741	\$ (8,856)	\$ 32,885
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4	\$ 55,698	\$ (21,633)	\$ 34,065
085	Utilities		9,937	0	9,937
090	Client Transportation		3,630	0	3,630
095	Dietary		24,505	0	24,505
100	Personal Care and Laundry		14,739	0	14,739
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 108,509	\$ (21,633)	\$ 86,876
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 150,250	\$ (30,489)	\$ 119,761
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 16,529	\$ 0	\$ 16,529
120	QMRP Fringe Benefits		4,408	0	4,408
125	Lead Salaries	2	36,690	2,696	39,386
130	Lead Fringe Benefits		9,768	0	9,768
135	Aides Salaries	2	160,639	(14,006)	146,633
140	Aides Fringe Benefits		42,706	0	42,706
145	Other Salaries	2	1,132	(217)	915
150	Other Fringe Benefits		1,989	0	1,989
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 273,861	\$ (11,527)	\$ 262,334

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ADRIAN WAY HOME

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 765	\$ 0	\$ 765
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		754	0	754
180	Pharmacist Consultant				0
185	Nurse Consultant	3	11,353	(2,387)	8,966
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 12,872	\$ (2,387)	\$ 10,485
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries	2	\$ 9,947	\$ (1,044)	\$ 8,903
225	Administrative Fringe Benefits		2,650	0	2,650
226	Quality Assurance Fees				0
230	Other Administrative and General		17,495	0	17,495
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 30,092	\$ (1,044)	\$ 29,048
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 467,075	\$ (45,447)	\$ 421,628
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 467,075	\$ (45,447)	\$ 421,628

Provider Name		Fiscal Period		Provider Number		Adjustments				
ADRIAN WAY HOME		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60091F		4				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Audit Report							
1	4 of 6	045	4	2	45	3	\$19,437	(\$11,276)	\$8,161 *	
<p style="text-align: center;">ADJUSTMENTS TO REPORTED COSTS</p>										
2	4.1 of 6	125	4	2	125	3	\$36,690	\$2,696	\$39,386	
	4.1 of 6	135	4	2	135	3	160,639	(14,006)	146,633	
	4.1 of 6	145	4	2	145	3	1,132	(217)	915	
	4.1 of 6	220	4	2	220	3	9,947	(1,044)	8,903	
<p>Depreciation and Amortization To adjust depreciation to agree with the provider's detailed depreciation schedules. CMS Pub. 15-1, Sections 102 and 2304</p>										
3	4.1 of 6	185	4	2	185	3	\$11,353	(\$2,387)	\$8,966	
<p>Nurse Consultant To adjust nurse consultant costs to agree with the Payroll Register. CMS Pub. 15-1, Sections 2300 and 2304</p>										
4	4 of 6	045	4	2	45	3	\$8,161	\$2,420	\$10,581	
	4 of 6	080	4	2	80	3	55,698	(21,633)	34,065	
<p>Depreciation and Amortization Home Operations and Maintenance To eliminate expenses for assets that should have been capitalized, and to include proper annual depreciation expense. CMS Pub. 15-1, Sections 108, 2300, and 2304</p>										

*Balance carried forward from prior/to subsequent adjustments