

**REPORT
ON THE
RATE SETTING AUDIT**

**VILLA DE MARTIN DE JUDE HOMES, INC. – ARCHER I
ANAHEIM, CALIFORNIA
PROVIDER NUMBER: LTC60882F**

**FISCAL PERIOD ENDED
DECEMBER 31, 2007**

**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: Ken Tin**



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 30, 2008

Anicia Santos Lopez, Administrator
Villa De Martin De Jude Homes, Inc.
5245 Avenida De Kristine
Yorba Linda, CA 92887

PROVIDER: VILLA DE MARTIN DE JUDE HOMES, INC – ARCHER I
PROVIDER NO. LTC60882F
FISCAL PERIOD ENDED DECEMBER 31, 2007

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	\$	267,861	\$ 122.31
Net Audit Adjustment		(11,115)	(5.07)
Audited Cost/Cost Per Day	\$	<u>256,746</u>	\$ <u>117.24</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
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.

Anicia Santos Lopez
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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
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
PO 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 California Code of Regulations, Title 22, 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

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

Provider:

VILLA DE MARTIN DE JUDE HOMES, INC. - ARCHER I

Fiscal Period:

JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:

LTC60882F

**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>267,861</u>	\$ <u>256,746</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>122.31</u>	\$ <u>117.24</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> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VILLA DE MARTIN DE JUDE HOMES, INC. - ARCHER I

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60882F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 20,789	\$ (1,648)	\$ 19,141
050	Leases and Rentals				0
055	Real Property Taxes		4,793		4,793
060	Personal Property Taxes				0
065	Mortgage Interest		21,678		21,678
070	Property Insurance		5,146		5,146
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 52,406	\$ (1,648)	\$ 50,758
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,113	\$	\$ 6,113
085	Utilities		5,303		5,303
090	Client Transportation		7,883		7,883
095	Dietary		6,324		6,324
100	Personal Care and Laundry		1,649		1,649
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 27,272	\$ 0	\$ 27,272
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 79,678	\$ (1,648)	\$ 78,030
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,000	\$	\$ 18,000
120	QMRP Fringe Benefits		2,202		2,202
125	Lead Salaries		16,165		16,165
130	Lead Fringe Benefits		3,997		3,997
135	Aides Salaries		56,264		56,264
140	Aides Fringe Benefits		9,859		9,859
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 106,487	\$ 0	\$ 106,487

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VILLA DE MARTIN DE JUDE HOMES, INC. - ARCHER I

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60882F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 405	\$	\$ 405
165	Speech Pathology Consultant		1,280		1,280
170	Physical Therapy Consultant		778		778
175	Occupational Therapy Consultant		1,980		1,980
180	Pharmacist Consultant		380		380
185	Nurse Consultant		23,144		23,144
190	Psychologist Consultant		650		650
195	Physician Consultant		0		0
200	Recreational Consultant		518		518
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 29,135	\$ 0	\$ 29,135
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 6,000	\$	\$ 6,000
225	Administrative Fringe Benefits	2	14,840	(9,467)	5,373
226	Quality Assurance Fees		21,265		21,265
230	Other General and Administrative		10,456		10,456
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 52,561	\$ (9,467)	\$ 43,094
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 267,861	\$ (11,115)	\$ 256,746
	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)		\$ 267,861	\$ (11,115)	\$ 256,746

SUMMARY OF AUDITED LABOR REPORT

Provider:
VILLA DE MARTIN DE JUDE HOMES, INC. - ARCHER I

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60882F

Line No.	Description	AS AUDITED			Average Hourly Wage (Col 2 / Col 3)
		(1) Benefits	(2) Salaries	(3) Total Hours Adj. 6,7,& 8	
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 2,202	\$ 18,000	600	\$ 30.00
2	Lead	3,997	16,165	1,936	8.35
3	Aides	9,859	56,264	6,948	8.10
4	Other	0	0	0	0.00
5	TOTAL DIRECT CARE (Lines1 through 4)	\$ 16,058	\$ 90,429	9,484	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 405	9	\$ 45.00
7	Speech Pathology		1,280	16	80.00
8	Physical Therapy		778	15	53.00
9	Occupational Therapy		1,980	36	55.00
10	Pharmacist		380	4	95.00
11	Nurse		23,144	624	37.09
12	Psychologist		650	13	50.00
13	Physician		0	0	0.00
14	Recreational		518	12	45.00
15	Social Service				0.00
16	Other				0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 29,135	728	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$ 14,840	\$ 6,000	200	\$ 30.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 30,898	\$ 125,564	10,412	

Provider Name		Fiscal Period		Provider Number		Adjustments	
VILLA DE MARTIN JUDE-ARCHER		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60882F		2	
Adj. No.	Report References		AUDIT REPORT		As Reported	Increase (Decrease)	As Adjusted
	COST REPORT	Line	Col.	Sch			
1	4	45	4	2	45.00	\$20,789	\$19,141
Depreciation and Amortization To adjust depreciation expense to the straight line basis. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 116 and 120							
2	4.1	225	4	4	225.00	\$14,840	\$5,373
Administrative Fringe Benefits To eliminate the excess cost of one vehicle and the personal use of two vehicles. CMS Pub. 15-1, Sections 2102.1, 2105.9, and 2304.							