

**REPORT
ON THE
RATE SETTING AUDIT**

**TUPAZ HOME 3
SAN JOSE, CALIFORNIA
PROVIDER NUMBER: LTC80062G AND
NPI NUMBER: 1922219476**

**FISCAL PERIOD ENDED
DECEMBER 31, 2007**

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

**Section Chief: Louise Wong
Audit Supervisor: Diana Dong
Auditors: Keyuan Cao and Sherina Li**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

January 26, 2009

Rosario Tupaz
Owner/Administrator
Tupaz Homes, LLC
2831 Cortina Way
Union City, CA 94587

PROVIDER: TUPAZ HOME 3
PROVIDER NO. LTC80062G AND NPI NO. 1922219476
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	\$	434,752	\$ 231.25
Net Audit Adjustment		<u>(3,358)</u>	<u>(1.79)</u>
Audited Cost/Cost Per Day	\$	<u>431,394</u>	\$ <u>229.46</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
2. Audit Adjustments that include a summary of the total due the State in the amount of \$213, which resulted from Medi-Cal overpayments
3. Audited Allocation of Home Office Cost

The audit settlement will be incorporated into a Statements of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department.

The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

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 California Code of Regulations, Title 22, Section 51016, et seq.

Rosario Tupaz
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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:
TUPAZ HOME 3

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

Provider Number:
LTC80062G

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,880	1,880
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>1,880</u>	<u>1,880</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>434,752</u>	\$ <u>431,394</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>231.25</u>	\$ <u>229.46</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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OVERPAYMENTS

1. Medi-Cal Overpayments (Adj 8)	\$ <u>0</u>	\$ <u>213</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>213</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 3

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

Provider Number:
LTC80062G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 11,884	\$ 0	\$ 11,884
050	Leases and Rentals				0
055	Real Property Taxes		5,465	0	5,465
060	Personal Property Taxes				0
065	Mortgage Interest		30,000	0	30,000
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 47,349	\$ 0	\$ 47,349
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 23,900	\$ 0	\$ 23,900
085	Utilities		10,207	0	10,207
090	Client Transportation		4,530	0	4,530
095	Dietary		12,990	0	12,990
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 51,627	\$ 0	\$ 51,627
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 98,975	\$ 0	\$ 98,976
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	2	\$ 23,414	\$ (306)	\$ 23,108
120	QMRP Fringe Benefits		3,553	0	3,553
125	Lead Salaries	2	56,572	(739)	55,833
130	Lead Fringe Benefits		8,584	0	8,584
135	Aides Salaries	2	138,589	(1,811)	136,778
140	Aides Fringe Benefits		21,030	0	21,030
145	Other Salaries	2	631	(8)	623
150	Other Fringe Benefits		96	0	96
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 252,469	\$ (2,864)	\$ 249,605

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 3

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

Provider Number:
LTC80062G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,079	\$ 0	\$ 1,079
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		285	0	285
175	Occupational Therapy Consultant		2,755	0	2,755
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant	1	1,125	(150)	975
195	Physician Consultant		4,189	0	4,189
200	Recreational Consultant		1,338	0	1,338
205	Social Service Consultant				0
210	Other Consultant		618	0	618
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,389	\$ (150)	\$ 11,239
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		21,904		21,904
230	Other Administrative and General	3, 4	50,015	(345)	49,670
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 71,919	\$ (345)	\$ 71,574
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 434,752	\$ (3,359)	\$ 431,394
	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)		\$ 434,752	\$ (3,359)	\$ 431,394

SUMMARY OF AUDITED LABOR REPORT

Provider:
TUPAZ HOME 3

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

Provider Number:
LTC80062G

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries (Adjs 5, 6)	(3) Total Hours (Adj 7)	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 3,553	\$ 23,108	1,135	\$ 20.36
2	Lead	8,584	55,833	1,910	29.23
3	Aides	21,030	136,778	13,765	9.94
4	Other	96	623	62	10.05
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 33,263	\$ 216,342	16,872	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,079	22	\$ 49.05
7	Speech Pathology				0.00
8	Physical Therapy		285	3	95.00
9	Occupational Therapy		2,755	39	70.64
10	Pharmacist				0.00
11	Nurse				0.00
12	Psychologist		975	13	75.00
13	Physician		4,189	35	119.69
14	Recreational		1,338	27	49.56
15	Social Service				0.00
16	Other		618	6	103.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 11,239	145	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$	\$		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 33,263	\$ 227,581	17,017	

Provider Name		Fiscal Period		Provider Number		Adjustments		
TUPAZ HOME 3		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80062G		8		
Adj. No.	DHS 3076 Page or Schedule	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT					
Line	Col.	Explanation of Audit Adjustments						
ADJUSTMENTS TO REPORTED COSTS								
1	4.1 of 6	190	4	2	190	\$1,125	(\$150)	\$975
Psychologist Consultant To adjust the psychologist consultant costs to agree with the Provider's invoices. CMS Pub. 15-1, Sections 2300 and 2304								
2	4.1 of 6	115	4	2	115	\$23,414	(\$306)	\$23,108
	4.1 of 6	125	4	2	125	56,572	(739)	55,833
	4.1 of 6	135	4	2	135	138,589	(1,811)	136,778
	4.1 of 6	145	4	2	145	631	(8)	623
QMRP Salaries Lead Salaries Aides Salaries Other Salaries To adjust the reported salaries and wages to agree with the Provider's payroll check registers. CMS Pub. 15-1, Sections 2300 and 2304								
3	4.1 of 6	230	4	2	230	\$50,015	(\$25)	\$49,990 *
Other General and Administrative To eliminate parking citations unrelated to patient care. CMS Pub. 15-1, Sections 2102.3 and 2304								
4	4.1 of 6	230	4	2	230	\$49,990	(\$320)	\$49,670
Other General and Administrative To adjust the reported home office costs to agree with the audited home office cost report. CMS Pub. 15-1, Sections 2150.2 and 2304								

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments	
TUPAZ HOME 3		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80062G		8	
Adj. No.	DHS 3076 Page or Schedule	Report References		Line	Sch	Col.	Line
		COST REPORT	AUDIT REPORT				
Explanation of Audit Adjustments							
ADJUSTMENTS TO THE LABOR REPORT							
5	6 of 6	1	2	3	3	1	QMRP (Salaries)
	6 of 6	2	2	3	3	2	Lead
	6 of 6	3	2	3	3	3	Aides
	6 of 6	4	2	3	3	4	Other
	6 of 6	5	2	3	3	5	Total Direct Care
	6 of 6	19	2	3	3	19	Total Staff
To adjust the reported salaries and wages to agree with the Provider's payroll check registers, in conjunction with Adjustment Number 2. CMS Pub. 15-1, Sections 2300 and 2304							
6	6 of 6	12	2	3	3	12	Psychologist Consultant (Cost)
	6 of 6	17	2	3	3	17	Total Consultant
	6 of 6	19	2	3	3	19	Total Staff
*							
							\$1,125
							11,389
							227,731
							(\$150)
							(150)
							(150)
7	6 of 6	12	3	3	3	12	Psychologist Consultant (Hours)
	6 of 6	17	3	3	3	17	Total Consultant
	6 of 6	19	3	3	3	19	Total Staff
To adjust the psychologist consultant cost and total hours to agree with the Provider's invoices, in conjunction with Adjustment Number 1. CMS Pub. 15-1, Sections 2300 and 2304							
							15
							147
							17,019
							(2)
							(2)
							(2)
							\$975
							11,239
							227,581

Provider Name		Fiscal Period		Provider Number		Adjustments	
TUPAZ HOME 3		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80062G		8	
Adj. No.	Report References			Line	Sch	Col.	Line
	COST REPORT	AUDIT REPORT					
	DHS 3076 Page or Schedule						
Explanation of Audit Adjustments							
<u>ADJUSTMENT TO OTHER MATTERS</u>							
8	Not Reported	1	1	1			
	Medi-Cal Overpayments To recover Medi-Cal overpayments for the day of death. CMS Pub. 15-1, Sections 2205.1 and 2409.3 CCR, Title 22, Section 51458.1						
					As Reported	Increase (Decrease)	As Adjusted
					\$0	\$213	\$213