

**REPORT
ON THE
RATE SETTING AUDIT**

**TUPAZ HOME 5
SAN JOSE, CALIFORNIA
PROVIDER NUMBER: LTC80103G AND
NPI NUMBER: 1962613422**

**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 5
PROVIDER NO. LTC80103G AND NPI NO. 1962613422
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	\$	381,479	\$ 174.19
Net Audit Adjustment		<u>(3,349)</u>	<u>(1.53)</u>
Audited Cost/Cost Per Day	\$	<u>378,130</u>	\$ <u>172.66</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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.

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 5

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

Provider Number:
LTC80103G

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days	2,190	2,190
2. Other Client Days	0	0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>381,479</u>	\$ <u>378,130</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>174.19</u>	\$ <u>172.66</u>

SHARE OF COST

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

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

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 5

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

Provider Number:
LTC80103G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1, 2	\$ 5,264	\$ (563)	\$ 4,701
050	Leases and Rentals		29,849	0	29,849
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 35,113	\$ (563)	\$ 34,550
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 18,327	\$ 0	\$ 18,327
085	Utilities		11,243	0	11,243
090	Client Transportation		4,520	0	4,520
095	Dietary		11,601	0	11,601
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 45,691	\$ 0	\$ 45,691
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 80,804	\$ (563)	\$ 80,241
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	3	\$ 19,308	\$ (252)	\$ 19,056
120	QMRP Fringe Benefits		2,930	0	2,930
125	Lead Salaries	3	44,523	(582)	43,941
130	Lead Fringe Benefits		6,756	0	6,756
135	Aides Salaries	3	119,236	(1,558)	117,678
140	Aides Fringe Benefits		18,093	0	18,093
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 210,846	\$ (2,392)	\$ 208,454

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 5

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

Provider Number:
LTC80103G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,288	\$ 0	\$ 1,288
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		665	0	665
175	Occupational Therapy Consultant		1,566	0	1,566
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		1,200	0	1,200
195	Physician Consultant		3,974	0	3,974
200	Recreational Consultant		988	0	988
205	Social Service Consultant				0
210	Other Consultant		587	0	587
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,267	\$ 0	\$ 10,268
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		27,185	0	27,185
230	Other Administrative and General	4, 5	52,378	(396)	51,982
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 79,562	\$ (396)	\$ 79,167
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 381,479	\$ (3,351)	\$ 378,130
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 381,479	\$ (3,351)	\$ 378,130

SUMMARY OF AUDITED LABOR REPORT

Provider:
TUPAZ HOME 5

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

Provider Number:
LTC80103G

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries (Adj 6)	(3) Total Hours	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 2,930	\$ 19,056	1,026	\$ 18.57
2	Lead	6,756	43,941	1,684	26.09
3	Aides	18,093	117,678	12,790	9.20
4	Other	0	0	0	0.00
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 27,779	\$ 180,675	15,500	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,288	26	\$ 49.54
7	Speech Pathology				0.00
8	Physical Therapy		665	7	95.00
9	Occupational Therapy		1,566	22	71.18
10	Pharmacist				0.00
11	Nurse				0.00
12	Psychologist		1,200	16	75.00
13	Physician		3,974	33	120.42
14	Recreational		988	20	49.40
15	Social Service				0.00
16	Other		587	6	97.83
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 10,268	130	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$	\$		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 27,779	\$ 190,943	15,630	

Provider Name		Fiscal Period		Provider Number		Adjustments		
TUPAZ HOME 5		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80103G		6		
Adj. No.	DHS 3076 Page or Schedule	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT					
Line	Col.							
ADJUSTMENTS TO REPORTED COSTS								
1	4.1 of 6	045	4	2	045	\$5,264	(\$237)	\$5,027 *
Depreciation and Amortization To eliminate the reported equipment depreciation expense for assets that had been fully depreciated. CMS Pub. 15-1, Sections 102, 116, 120, 1300, and 2304								
2	4.1 of 6	045	4	2	045	\$5,027	(\$326)	\$4,701
Depreciation and Amortization To adjust the reported depreciation expense to agree with the audited amounts. CMS Pub. 15-1, Sections 102, 116, 120, 1300, and 2304								
3	4.1 of 6	115	4	2	115	\$19,308	(\$252)	\$19,056
	4.1 of 6	125	4	2	125	44,523	(582)	43,941
	4.1 of 6	135	4	2	135	119,236	(1,558)	117,678
QMRP Salaries Lead Salaries Aides 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								
4	4.1 of 6	230	4	2	230	\$52,378	(\$23)	\$52,355 *
Other General and Administrative To eliminate parking citations not related to patient care. CMS Pub. 15-1, Sections 2102.3 and 2304								
5	4.1 of 6	230	4	2	230	\$52,355	(\$373)	\$51,982
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 5		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80103G		6			
Adj. No.	Report References		Line	Sch	Col.	Line	As Reported	Increase (Decrease)	As Adjusted
	COST REPORT	AUDIT REPORT							
	DHS 3076								
	Page or Schedule								
6	6 of 6	1	2	3	1	1	\$19,308	(\$252)	\$19,056
	6 of 6	2	2	3	2	2	44,523	(582)	43,941
	6 of 6	3	2	3	3	3	119,236	(1,558)	117,678
	6 of 6	5	2	3	5	5	183,067	(2,392)	180,675
	6 of 6	19	2	3	19	19	193,334	(2,391)	190,943
<p>QMRP (Salaries)</p> <p>Lead</p> <p>Aides</p> <p>Total Direct Care</p> <p>Total Staff</p> <p>To adjust the reported salaries and wages to agree with the Provider's payroll check registers, in conjunction with Adjustment 3. CMS Pub. 15-1, Sections 2300 and 2304</p>									