

**REPORT  
ON THE  
RATE SETTING AUDIT**

**WIGGINS HOME 2  
PORTERVILLE, CALIFORNIA  
PROVIDER NUMBER: LTC80047F  
NPI NUMBER: 1639229057**

**FISCAL PERIOD ENDED  
JUNE 30, 2008**

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

**Section Chief: Michael Harrold  
Audit Supervisor: Kathy Atkins  
Auditor: Craig Brandon**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

January 27, 2010

Evelyn Wiggins, Owner  
Wiggins Home  
1012 E Vandalia  
Porterville, CA 93257

PROVIDER: WIGGINS HOME 2  
PROVIDER NO. LTC80047F  
NPI NO. 1639229057  
FISCAL PERIOD ENDED JUNE 30, 2008

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	\$	425,704		\$ 194.30
Net Audit Adjustment		<u>(59,421)</u>		<u>(27.12)</u>
Audited Cost/Cost Per Day	\$	<u>366,283</u>		\$ <u>167.18</u>

This audit report includes the:

1. Audit Report Schedules 1 through 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.

Evelyn Wiggins  
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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—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

Certified

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

**Provider:**  
WIGGINS HOME 2

**Fiscal Period:**  
JULY 1, 2007 THROUGH JUNE 30, 2008

**Provider Number:**  
LTC80047F

**Provider NPI:**  
1639229057

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,191	2,191
2. Other Client Days (Adj )		0
3. Total Client Days	<u>2,191</u>	<u>2,191</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>425,704</u>	\$ <u>366,283</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>194.30</u>	\$ <u>167.18</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:  
WIGGINS HOME 2

Fiscal Period:  
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:  
LTC80047F

Provider NPI:  
1639229057

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 2,358	\$	\$ 2,358
050	Leases and Rentals				0
055	Real Property Taxes		1,249		1,249
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		1,027		1,027
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 4,634	\$ 0	\$ 4,634
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	4-6	\$ 38,687	\$ (13,662)	\$ 25,025
085	Utilities		9,028		9,028
090	Client Transportation		15,190		15,190
095	Dietary	1	12,040	(221)	11,819
100	Personal Care and Laundry		2,873		2,873
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 77,818	\$ (13,883)	\$ 63,935
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 82,452	\$ (13,883)	\$ 68,569
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 12,000	\$	\$ 12,000
120	QMRP Fringe Benefits		2,084		2,084
125	Lead Salaries	8	54,335	(15,960)	38,375
130	Lead Fringe Benefits	9	9,867	(2,898)	6,969
135	Aides Salaries	8	110,344	751	111,095
140	Aides Fringe Benefits	9	19,016	129	19,145
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 207,646	\$ (17,978)	\$ 189,668

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
WIGGINS HOME 2

Fiscal Period:  
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:  
LTC80047F

Provider NPI:  
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,880	\$	\$ 1,880
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		3,850		3,850
185	Nurse Consultant	10	26,430	(16,470)	9,960
190	Psychologist Consultant	3	2,056	(1,800)	256
195	Physician Consultant	2	50	(50)	0
200	Recreational Consultant		1,475		1,475
205	Social Service Consultant		540		540
210	Other Consultant	7	56,760	(9,240)	47,520
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 93,041	\$ (27,560)	\$ 65,481
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		26,720		26,720
230	Other Administrative and General		15,845		15,845
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 42,565	\$ 0	\$ 42,565
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 425,704	\$ (59,421)	\$ 366,283
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 425,704	\$ (59,421)	\$ 366,283

Provider Name		Fiscal Period		Provider Number		Adjustments		
WIGGINS HOME 2		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC80047F		10		
Adj. No.	DHS Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4	95	4	2	95.00	\$12,040	(\$221)	\$11,819
Dietary To eliminate expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
2	4.1	195	4	2	195.00	\$50	(\$50)	\$0
Physician Consultant To eliminate dental costs for individual patients not included in the rate. 42 CFR 413.9 CMS Pub. 15-1, Section 2104.4								
3	4.1	190	4	2	190.00	\$2,056	(\$1,800)	\$256
Psychologist Consultant To eliminate consultant services not included in the rate. CCR, Title 22, Section 51510.3(b)(2)								
4	4	80	4	2	80.00	\$38,687	(\$65)	
Home Operations and Maintenance To eliminate expense not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Section 2102.3								
5							(11,000)	
To eliminate salaries based on lack of documentation and duplication of services. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
6							(2,597)	\$25,025
To eliminate expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
7	4.1	210	4	2	210.00	\$56,760	(\$9,240)	\$47,520
Other Consultant To eliminate owner QMRP consultant expense which is excessive and duplication of services. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 902.4, 2102.1, 2103, 2300 and 2304								

Provider Name		Fiscal Period		Provider Number		Adjustments				
WIGGINS HOME 2		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC80047F		10				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report							
<b>ADJUSTMENTS TO REPORTED COSTS</b>										
8	4.1	125	4	2	125.00	Lead Salaries		\$54,335	(\$15,960)	\$38,375
	4.1	135	4	2	135.00	Aides Salaries		110,344	751	111,095
To adjust salary expense to agree with the provider's payroll journal. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										
9	4.1	130	4	2	130.00	Lead Benefits		\$9,867	(\$2,898)	\$6,969
	4.1	140	4	2	140.00	Aides Benefits		19,016	129	19,145
To adjust benefits expense to agree with the provider's payroll journal and lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										
10	4.1	185	4	2	185.00	Nurse Consultant		\$26,430	(\$16,470)	\$9,960
To eliminate other consultant expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										