

**REPORT  
ON THE  
RATE SETTING AUDIT**

**TUPAZ HOME 6  
SAN JOSE, CALIFORNIA  
PROVIDER NUMBER: LTC80170G AND  
NPI NUMBER: 1750592119**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2008**

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

**Section Chief: Louise Wong  
Audit Supervisor: Jesse Duran  
Auditor: Pamela Yeung**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

December 16, 2009

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

PROVIDER: TUPAZ HOME 6  
PROVIDER NO. LTC80170G AND NPI NO. 1750592119  
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	481,953	\$ 270.46
Net Audit Adjustment		<u>(37,666)</u>	<u>(25.81)</u>
Audited Cost/Cost Per Day	\$	<u>444,287</u>	\$ <u>244.65</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$13,806 which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement 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:

John Melton, 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  
Page 3

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 6

**Fiscal Period:**  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

**Provider Number:**  
LTC80170G

**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 7)	1,782	1,816
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>1,782</u>	<u>1,816</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>481,953</u>	\$ <u>444,287</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>270.46</u>	\$ <u>244.65</u>

**SHARE OF COST**

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

**OVERPAYMENTS**

1. Medi-Cal Overpayments Payments (Adj 8)	\$ <u>0</u>	\$ <u>13,806</u>
2. Credit Balances (Adj )	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>13,806</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
TUPAZ HOME 6

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC80170G

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	1, 6	\$ 7,392	\$ (6,147)	\$ 1,245
050	Leases and Rentals				0
055	Real Property Taxes	2	4,486	(325)	4,161
060	Personal Property Taxes				0
065	Mortgage Interest	6	23,822	(23,822)	0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 35,700	\$ (30,294)	\$ 5,406
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 24,668	\$ 0	\$ 24,668
085	Utilities	3	13,816	(837)	12,979
090	Client Transportation	4	8,044	(5,278)	2,766
095	Dietary		11,035		11,035
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 57,564	\$ (6,115)	\$ 51,449
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 93,264	\$ (36,409)	\$ 56,855
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries	5	\$ 15,917	\$ (78)	\$ 15,839
120	QMRP Fringe Benefits		2,455	0	2,455
125	Lead Salaries	5	36,260	(177)	36,083
130	Lead Fringe Benefits		5,594	0	5,594
135	Aides Salaries	5	204,690	(1,002)	203,688
140	Aides Fringe Benefits		31,577	0	31,577
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 296,494	\$ (1,257)	\$ 295,237

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
TUPAZ HOME 6

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC80170G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 782	\$ 0	\$ 782
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,838	0	1,838
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		844	0	844
195	Physician Consultant		4,434	0	4,434
200	Recreational Consultant		788	0	788
205	Social Service Consultant				0
210	Other Consultant		1,267	0	1,267
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 9,951	\$ 0	\$ 9,951
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		22,660	0	22,660
230	Other Administrative and General		59,583	0	59,583
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 82,244	\$ 0	\$ 82,244
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 481,953	\$ (37,666)	\$ 444,287
	<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)		\$ 481,953	\$ (37,666)	\$ 444,287

Provider Name		Fiscal Period		Provider Number		Adjustments		
TUPAZ HOME 6		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80170G		8		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
<b>ADJUSTMENTS TO REPORTED COSTS</b>								
1	4 of 6	045	4	2	45	\$7,392	(\$120)	\$7,272 *
Depreciation and Amortization To eliminate the reported depreciation expense for an asset that had been fully depreciated. CMS Pub. 15-1, Sections 102, 116, 120, 1300, and 2304								
2	4 of 6	055	4	2	55	\$4,486	(\$325)	\$4,161
Real Property Taxes To adjust the reported property tax to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
3	4 of 6	090	4	2	85	\$13,816	(\$837)	\$12,979
Utilities To eliminate utility expense for proper accrual accounting. CMS Pub. 15-1, Sections 2300 and 2304								
4	4 of 6	085	4	2	90	\$8,044	(\$5,278)	\$2,766
Client Transportation To abate transportation revenue against related costs. CMS Pub. 15-1, Sections 2300, 2304, and 2328								
5	4.1 of 6	115	4	2	115	\$15,917	(\$78)	\$15,839
	4.1 of 6	125	4	2	125	36,260	(177)	36,083
	4.1 of 6	135	4	2	135	204,690	(1,002)	203,688
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								
6	4 of 6	045	4	2	45	\$7,272	(\$6,027)	\$1,245
	4 of 6	065	4	2	65	23,822	(23,822)	0
Depreciation and Amortization Mortgage Interest To eliminate nonallowable depreciation and interest expense for assets subject to DEFRA. CMS Pub. 15-1, Sections 104.1 and 2304								

\*Balance carried forward from prior/to subsequent adjustments



Provider Name		Fiscal Period		Provider Number		Adjustments	
TUPAZ HOME 6		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80170G		8	
Adj. No.	Report References			Sch	Line	As Reported	As Adjusted
	Cost Report	Line	Col.				
8	DHS 3076 Page or Exhibit			1	1	\$0	\$13,806
	Explanation of Audit Adjustments <u>ADJUSTMENT TO OTHER MATTERS</u> Medi-Cal Overpayments To recover Medi-Cal overpayments due to incorrect billings. CMS Pub. 15-1, Sections 2304 and 2409 CCR, Title 22, Section 51458.1						