

**REPORT
ON THE
RATE SETTING AUDIT**

**TUPAZ HOME 8
SAN JOSE, CALIFORNIA
PROVIDER NUMBER: LTC80329F AND
NPI NUMBER: 1922219302**

**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: Liza Bencriscutto**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

January 25, 2010

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

PROVIDER: TUPAZ HOME 8
PROVIDER NO. LTC80329F AND NPI NO. 1922219302
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	\$	390,557	\$ 177.85
Net Audit Adjustment		<u>(32,197)</u>	<u>(14.66)</u>
Audited Cost/Cost Per Day	\$	<u>358,360</u>	\$ <u>163.19</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 \$17,753 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
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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 8

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

Provider Number:
LTC80329F

Provider NPI:
1922219302

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>390,557</u>	\$ <u>358,360</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>177.85</u>	\$ <u>163.19</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 7)	\$ <u>0</u>	\$ <u>17,753</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>17,753</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 8

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

Provider Number:
LTC80329F

Provider NPI:
1922219302

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 9,544	\$ (9,073)	\$ 471
050	Leases and Rentals				0
055	Real Property Taxes	2	6,043	(405)	5,638
060	Personal Property Taxes				0
065	Mortgage Interest	3	16,736	(16,736)	0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 32,323	\$ (26,214)	\$ 6,109
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 21,761	\$	\$ 21,761
085	Utilities		8,369		8,369
090	Client Transportation	4	7,794	(4,794)	3,000
095	Dietary		12,554		12,554
100	Personal Care and Laundry		0		0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 50,478	\$ (4,794)	\$ 45,684
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 82,801	\$ (31,008)	\$ 51,793
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	5	\$ 26,743	\$ (122)	\$ 26,621
120	QMRP Fringe Benefits		4,126		4,126
125	Lead Salaries	5	30,288	(182)	30,106
130	Lead Fringe Benefits		4,672		4,672
135	Aides Salaries	5	120,882	(566)	120,316
140	Aides Fringe Benefits		18,648		18,648
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 205,359	\$ (870)	\$ 204,489

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 8

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

Provider Number:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 880	\$	\$ 880
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		2,888		2,888
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant	6	1,294	(319)	975
195	Physician Consultant		4,027		4,027
200	Recreational Consultant		913		913
205	Social Service Consultant				0
210	Other Consultant		1,151		1,151
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,153	\$ (319)	\$ 10,834
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		27,934		27,934
230	Other Administrative and General		63,310		63,310
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 91,244	\$ 0	\$ 91,244
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 390,557	\$ (32,197)	\$ 358,360
	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)		\$ 390,557	\$ (32,197)	\$ 358,360

Provider Name		Fiscal Period		Provider Number		Adjustments	
TUPAZ HOME 8		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80329F		7	
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Line	Col.	Sch			
ADJUSTMENTS TO REPORTED COSTS							
1	4 of 6	045	4	2	45	Depreciation and Amortization To eliminate nonallowable depreciation and amortization expenses for assets subject to DEFRA. CMS Pub. 15-1, Sections 102, 104.10, 116, 2300, and 2304	\$9,544 (\$9,073) \$471
2	4 of 6	055	4	2	55	Real Property Taxes To adjust real property taxes to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304	\$6,043 (\$405) \$5,638
3	4 of 6	065	4	2	65	Mortgage Interest To eliminate nonallowable interest expense for assets subject to DEFRA. CMS Pub. 15-1, Sections 104.10, 2300, and 2304	\$16,736 (\$16,736) \$0
4	4 of 6	090	4	2	90	Client Transportation To abate transportation revenue against related costs. CMS Pub. 15-1, Sections 2300, 2304, and 2328	\$7,794 (\$4,794) \$3,000
5	4.1 of 6 4.1 of 6 4.1 of 6	115 125 135	4 4 4	2 2 2	115 125 135	QMRP Salary Lead Salary Aides Salary To adjust reported salary expense to agree with the provider's records for proper accrual. CMS Pub. 15-1, Sections 2300 and 2304	\$26,743 (\$122) \$26,621 30,288 (182) 30,106 120,882 (566) 120,316
6	4.1 of 6	190	4	2	190	Psychologist Consultant To adjust the reported psychologist consultant expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304	\$1,294 (\$319) \$975

