

**REPORT
ON THE
RATE SETTING AUDIT**

**TUPAZ HOME 9
SAN JOSE, CALIFORNIA
PROVIDER NUMBER: LTC80035G AND
NPI NUMBER: 1003027491**

**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: Eileen Kuang**



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 9
PROVIDER NO. LTC80035G AND NPI NO. 1003027491
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	\$	522,022	\$ 237.71
Net Audit Adjustment		<u>(29,090)</u>	<u>(13.24)</u>
Audited Cost/Cost Per Day	\$	<u>492,932</u>	\$ <u>224.47</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 \$24,081 which resulted from Medi-Cal overpayments

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.

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 9

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

Provider Number:
LTC80035G

Provider NPI:
1003027491

**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
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>522,022</u>	\$ <u>492,932</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>237.71</u>	\$ <u>224.47</u>

SHARE OF COST

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

OVERPAYMENTS

1. Medi-Cal Overpayments (Adj 7)	\$ <u>0</u>	\$ <u>24,081</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>24,081</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 9

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

Provider Number:
LTC80035G

Provider NPI:
1003027491

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 6,184	\$ (5,834)	\$ 350
050	Leases and Rentals				0
055	Real Property Taxes		6,823	0	6,823
060	Personal Property Taxes				0
065	Mortgage Interest	2	15,000	(15,000)	0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,007	\$ (20,834)	\$ 7,173
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 34,493	\$ 0	\$ 34,493
085	Utilities	3, 4	12,702	(862)	11,840
090	Client Transportation	6	10,224	(6,087)	4,137
095	Dietary		16,226	0	16,226
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 73,645	\$ (6,949)	\$ 66,696
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 101,652	\$ (27,783)	\$ 73,869
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	5	\$ 31,866	\$ (156)	\$ 31,710
120	QMRP Fringe Benefits		4,916	0	4,916
125	Lead Salaries	5	24,829	(122)	24,707
130	Lead Fringe Benefits		3,830	0	3,830
135	Aides Salaries	5	210,318	(1,029)	209,289
140	Aides Fringe Benefits		32,445	0	32,445
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 308,204	\$ (1,307)	\$ 306,897

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 9

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

Provider Number:
LTC80035G

Provider NPI:
1003027491

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 880	\$ 0	\$ 880
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,164	0	1,164
175	Occupational Therapy Consultant		3,535	0	3,535
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		1,444	0	1,444
195	Physician Consultant		5,112	0	5,112
200	Recreational Consultant		1,050	0	1,050
205	Social Service Consultant				0
210	Other Consultant		1,546	0	1,546
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,731	\$ 0	\$ 14,731
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits		27,385	0	27,385
226	Quality Assurance Fees		70,050	0	70,050
230	Other Administrative and General				0
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 97,435	\$ 0	\$ 97,435
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 522,022	\$ (29,090)	\$ 492,932
	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)		\$ 522,022	\$ (29,090)	\$ 492,932

Provider Name		Fiscal Period		Provider Number		Adjustments		
TUPAZ HOME 9		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80035G		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT					
Line	Col.	Line	Line					
ADJUSTMENTS TO REPORTED COSTS								
1	4 of 6	045	4	2	45	\$6,184	(\$5,834)	\$350
Depreciation and Amortization To eliminate nonallowable depreciation and amortization expenses for assets subject to DEFRA. CMS Pub. 15-1, Sections 104.1 and 2304								
2	4 of 6	065	4	2	65	\$15,000	(\$15,000)	\$0
Mortgage Interest To eliminate nonallowable interest expenses for assets subject to DEFRA. CMS Pub. 15-1, Sections 104.1 and 2304								
3	4 of 6	085	4	2	85	\$12,702	(\$120)	\$12,582 *
Utilities To adjust telephone expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
4	4 of 6	085	4	2	85	\$12,582	(\$742)	\$11,840
Utilities To adjust gas, electricity, and water expenses to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
5	4.1 of 6	115	4	2	115	\$31,866	(\$156)	\$31,710
	4.1 of 6	125	4	2	125	24,829	(122)	24,707
	4.1 of 6	135	4	2	135	210,318	(1,029)	209,289
QMRP Salaries Lead Salaries Aides Salaries To adjust the reported salary expense to agree with the provider's payroll check register for proper accrual. CMS Pub. 15-1, Sections 2300 and 2304								
6	4.1 of 6	090	4	2	90	\$10,224	(\$6,087)	\$4,137
Client Transportation To abate transportation revenue against related costs. CMS Pub. 15-1, Sections 2300 and 2304								

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments	
TUPAZ HOME 9		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80035G		7	
Adj. No.	Report References			As Reported	Increase (Decrease)	As Adjusted	
	COST REPORT	AUDIT REPORT	Line				
7	DHS 3076 Page or Exhibit		Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				
			Line				
			Sch				
			Col.				