

**REPORT
ON THE
RATE SETTING AUDIT**

**TUPAZ HOME 7
SAN JOSE, CALIFORNIA
PROVIDER NUMBER: LTC80191G AND
NPI NUMBER: 1841401213**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Louise Wong
Audit Supervisor: Diana Dong
Auditor: Lan Peng**



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



EDMUND G. BROWN JR
GOVERNOR

January 25, 2011

Rosario Tupaz
Owner/Administrator
Tupaz Home 7
1305 N. Bascom Avenue, # J
San Jose, CA 95128

PROVIDER: TUPAZ HOME 7
PROVIDER NO. LTC80191G AND NPI NO. 1841401213
FISCAL PERIOD ENDED DECEMBER 31, 2009

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	\$	447,901	\$ 212.58
Net Audit Adjustment		<u>(4,994)</u>	<u>(2.37)</u>
Audited Cost/Cost Per Day	\$	<u>442,907</u>	\$ <u>210.21</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 \$12,996, 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 7

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80191G

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days	2,107	2,107
2. Other Client Days	0	0
3. Total Client Days	<u>2,107</u>	<u>2,107</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>447,902</u>	\$ <u>442,907</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>212.58</u>	\$ <u>210.21</u>

SHARE OF COST

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

1. Medi-Cal Overpayments (Adj 6)	\$ <u>0</u>	\$ <u>12,996</u>
2. Credit Balances	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>12,996</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 7

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80191G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 1,463	\$ 0	\$ 1,463
050	Leases and Rentals	2	22,800	(1,900)	20,900
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)		\$ 24,263	\$ (1,900)	\$ 22,363
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 29,368	\$ 0	\$ 29,368
085	Utilities	1,3	12,687	253	12,940
090	Client Transportation	1,4	6,233	29	6,262
095	Dietary		8,455	0	8,455
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 56,743	\$ 282	\$ 57,025
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 81,006	\$ (1,618)	\$ 79,388
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 16,252	\$ 0	\$ 16,252
120	QMRP Fringe Benefits		1,991	0	1,991
125	Lead Salaries		10,950	0	10,950
130	Lead Fringe Benefits		1,342	0	1,342
135	Aides Salaries		175,519	0	175,519
140	Aides Fringe Benefits		21,506	0	21,506
145	Other Salaries		32,634	0	32,634
150	Other Fringe Benefits		3,998	0	3,998
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) *		\$ 264,192	\$ 0	\$ 264,192

* Reported amount includes \$1 rounding variance.

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TUPAZ HOME 7

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80191G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,170	\$ 0	\$ 1,170
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		594	0	594
175	Occupational Therapy Consultant		1,680	0	1,680
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		750	0	750
195	Physician Consultant		4,471	0	4,471
200	Recreational Consultant		1,650	0	1,650
205	Social Service Consultant				0
210	Other Consultant		1,140	0	1,140
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,455	\$ 0	\$ 11,455
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		26,752	0	26,752
230	Other Administrative and General	5	64,497	(3,377)	61,120
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 91,249	\$ (3,377)	\$ 87,872
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 447,902	\$ (4,995)	\$ 442,907
	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)		\$ 447,902	\$ (4,995)	\$ 442,907

Provider Name		Fiscal Period				Provider Number		Adjustments	
TUPAZ HOME 7		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC80191G		6	
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Sch.	Col.					
ADJUSTMENTS TO REPORTED COSTS									
1	4 of 6 4 of 6	085 090	4 4	2 2	85 90	3 3	\$12,687 6,233	\$441 89	\$13,128 * 6,322 *
Utilities Client Transportation To adjust the reported shared expenses to agree with the audited amounts allocated based on the Provider's allocation ratio. CMS Pub. 15-1, Sections 2300, 2304, and 2306									
2	4 of 6	050	4	2	50	3	\$22,800	(\$1,900)	\$20,900
Lease and Rentals To reconcile the reported rent expenses to agree with the Provider's general ledger. CMS Pub. 15-1, Sections 2300 and 2304									
3	4 of 6	085	4	2	85	3	\$13,128	(\$188)	\$12,940
Utilities To eliminate international telephone calls not related to patient care. CMS Pub. 15-1, Sections 2102.3									
4	4 of 6	090	4	2	90	3	\$6,322	(\$60)	\$6,262
Client Transportation To eliminate the client transportation due to the lack of documentation. CMSP Pub. 15-1, Section 2300 and 2304									
5	4.1 of 6	230	4	2	230	3	\$64,497	(\$3,377)	\$61,120
Other General and Administrative To adjust license fees to exclude penalty fees not related to patient care. CMSP Pub. 15-1, Section 2102.3									

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments		
TUPAZ HOME 7		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80191G		6		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Line	Col.	Line	Col.	Line	Col.			
6	Not Reported	1	2	1		\$0	\$12,996	\$12,996
<p>Medi-Cal Overpayments</p> <p>To recover Medi-Cal overpayment because the Share of Cost was not properly deducted from the amount billed.</p> <p>CMS Pub. 15-1, Section 2409</p> <p>CCR, Title 22, Section 51458.1</p> <p><u>ADJUSTMENT TO OTHER MATTERS</u></p>								