

**REPORT
ON THE
RATE SETTING AUDIT**

**CROSSROADS LIVING CENTER II
DIXON, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1669667861**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2011**

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

**Section Chief: Louise Wong
Audit Supervisor: Marisa Ho
Auditor: Marvin Reynolds**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Julie Schuder, Administrator
Crossroads Living Center Inc.
320 Cernon Street
Vacaville, CA 95688

CROSSROADS LIVING CENTER II
NATIONAL PROVIDER IDENTIFIER (NPI) 1669667861
FISCAL PERIOD ENDED SEPTEMBER 30, 2011

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	\$	371,052	\$ 169.43
Net Audit Adjustment		<u>(32,783)</u>	<u>(14.97)</u>
Audited Cost/Cost Per Day	\$	<u>338,269</u>	\$ <u>154.46</u>

This audit report includes the:

1. Audit Report Schedules 1 and 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 Fee-For-Service Rates Development Division.

Julie Schuder
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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:

John Melton, Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(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

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
(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:
CROSSROADS LIVING CENTER II

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1669667861

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 4)	2,190	0
2. Medi-Cal Managed Care Days (Adj 5)	0	2,190
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>371,052</u>	\$ <u>338,269</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>169.43</u>	\$ <u>154.46</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)	\$ <u>0</u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CROSSROADS LIVING CENTER II

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1669667861

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 864	\$ 0	\$ 864
050	Leases and Rentals	1	40,399	(40,399)	0
055	Real Property Taxes	1	0	4,234	4,234
060	Personal Property Taxes				0
065	Mortgage Interest	1	0	8,536	8,536
070	Property Insurance		1,786	0	1,786
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 43,049	\$ (27,629)	\$ 15,420
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,228	\$ 0	\$ 5,228
085	Utilities		11,514	0	11,514
090	Client Transportation (excluding Adult Day Services)		7,461	0	7,461
095	Dietary		10,790	0	10,790
100	Personal Care and Laundry		5,530	0	5,530
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 40,523	\$ 0	\$ 40,523
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 83,572	\$ (27,629)	\$ 55,943
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,040	\$ 0	\$ 18,040
120	QMRP Fringe Benefits				0
125	Lead Salaries		27,200	0	27,200
130	Lead Fringe Benefits		5,800	0	5,800
135	Aides Salaries		137,938	0	137,938
140	Aides Fringe Benefits		43,107	0	43,107
145	Other Salaries				0
150	Other Fringe Benefits		1,358	0	1,358
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 233,443	\$ 0	\$ 233,443

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CROSSROADS LIVING CENTER II

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,143	\$ 0	\$ 1,143
165	Speech Pathology Consultant		118	0	118
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		716	0	716
185	Nurse Consultant		11,640	0	11,640
190	Psychologist Consultant		1,192	0	1,192
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,809	\$ 0	\$ 14,809
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 2,881	\$ 0	\$ 2,881
225	Administrative Fringe Benefits		1,700	0	1,700
226	Quality Assurance Fees (excluding Adult Day Services)		17,268	0	17,268
230	Other General and Administrative*** (Excluding Adult Day Services)	2, 3	17,379	(5,154)	12,225
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 39,228	\$ (5,154)	\$ 34,074
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 371,052	\$ (32,783)	\$ 338,269
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 371,052	\$ (32,783)	\$ 338,269

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** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI	Adjustments		
CROSSROADS LIVING CENTER II							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1669667861	5		
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS											
1	4	050	4	2	050	3	Leases and Rentals	\$40,399	(\$40,399)	\$0	
	4	055	4	2	055	3	Real Property Taxes:	0	4,234	4,234	
	4	065	4	2	065	3	Mortgage Interest	0	8,536	8,536	
							To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20, and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304				
2	4.1	230	4	2	230	3	Other General and Administrative	\$17,379	(\$2,492)	\$14,887 *	
							To eliminate late penalty expenses not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105				
3	4.1	230	4	2	230	3	Other General and Administrative	* \$14,887	(\$2,662)	\$12,225	
							To disallow client savings erroneously recorded in the provider's general ledger as these are not facility expenses and not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CROSSROADS LIVING CENTER II							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1669667861		5
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
ADJUSTMENTS TO REPORTED PATIENT DAYS										
4	2	3	4	1	1	2	Medi-Cal Client Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: October 1, 2010 through September 30 2011 Payment Period: October 1, 2010 through February 22, 2013 Report Date: February 22, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2205, 2300, 2304, 2404, and 2408	2,190	(2,190)	0
5	2	3	2	1	2	2	Medi-Cal Managed Care Days To include Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	2,190	2,190