

**REPORT  
ON THE  
RATE SETTING AUDIT**

**CAMELOT  
BELLFLOWER, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1457489759**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Margaret A. Varho  
Audit Supervisor: Stan Van Arsdale  
Auditor: Mineo Gonzalez**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: June 5, 2013

Cheryl Loflin-Wertz, President  
Harbor Health Care, Inc  
16917 Clark Avenue  
Bellflower, CA 90706

CAMELOT  
NATIONAL PROVIDER IDENTIFIER (NPI) 1457489759  
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	434,441	\$ 203.68
Net Audit Adjustment		(9,550)	(4.48)
Audited Cost/Cost Per Day	\$	<u>424,891</u>	\$ <u>199.20</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Cheryl Loflin-Wertz  
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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:

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—Santa Ana at (714) 558-4434.

***(Original signed by Margaret Varho)***

Margaret A. Varho, Chief  
Audits Section—Santa Ana  
Financial Audits Branch

Certified

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

**Provider:**  
CAMELOT

**Fiscal Period:**  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

**Provider NPI:**  
1457489759

**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 )	2,133	2,133
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,133</u>	<u>2,133</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>434,441</u>	\$ <u>424,891</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>203.68</u>	\$ <u>199.20</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:  
CAMELOT

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1457489759

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 0	\$	\$ 0
050	Leases and Rentals		30,000		30,000
055	Real Property Taxes		2,347		2,347
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance	1	1,536	(449)	1,087
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 33,883	\$ (449)	\$ 33,434
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 5,535	\$	\$ 5,535
085	Utilities		5,451		5,451
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		14,361		14,361
100	Personal Care and Laundry		995		995
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 26,342	\$ 0	\$ 26,342
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 60,225	\$ (449)	\$ 59,776
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 7,802	\$	\$ 7,802
120	QMRP Fringe Benefits		1,477		1,477
125	Lead Salaries	2	15,479	(525)	14,954
130	Lead Fringe Benefits	5	3,063	(363)	2,700
135	Aides Salaries	3	87,728	(3,256)	84,472
140	Aides Fringe Benefits	6	15,872	(619)	15,253
145	Other Salaries	4	93,293	(3,647)	89,646
150	Other Fringe Benefits	7	16,878	(691)	16,187
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 241,592	\$ (9,101)	\$ 232,491

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CAMELOT

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1457489759

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,300	\$	\$ 1,300
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		1,320		1,320
175	Occupational Therapy Consultant		900		900
180	Pharmacist Consultant		360		360
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		280		280
205	Social Service Consultant		0		0
210	Other Consultant		7,200		7,200
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,360	\$ 0	\$ 11,360
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		42,121		42,121
230	Other General and Administrative*** (Excluding Adult Day Services)		79,143		79,143
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 121,264	\$ 0	\$ 121,264
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 434,441	\$ (9,550)	\$ 424,891
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 434,441	\$ (9,550)	\$ 424,891

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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
CAMELOT							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1457489759		7
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				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
1	4	070	4	4	070	3	Property Insurance To adjust property insurance expense to agree with provider record: 42 CFR 413.24 / CMS Pub. 15-1, Section 2161A	\$1,536	(\$449)	\$1,087
2	4.1	125	4	2	125	3	Lead Salaries To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$15,479	(\$525)	\$14,954
3	4.1	135	4	2	135	3	Aides Salaries To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$87,728	(\$3,256)	\$84,472
4	4.1	145	4	2	145	3	Other Salaries To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$93,293	(\$3,647)	\$89,646
5	4.1	130	4	2	130	3	Lead Fringe Benefits To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$3,063	(\$363)	\$2,700
6	4.1	140	4	2	140	3	Aides Fringe Benefits To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$15,872	(\$619)	\$15,253
7	4.1	150	4	2	150	3	Other Benefits To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$16,878	(\$691)	\$16,187