

**REPORT
ON THE
RATE SETTING AUDIT**

**CHRISTOPHER RANCH I
REDLANDS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1215062104**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Bina Matani
Auditor: Emmanuel K. Ngati**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 12, 2013

Kelly Snelling, Administrator
Christopher Ranch I
1533 East Highland Drive
Redlands, CA 92374

CHRISTOPHER RANCH I
NATIONAL PROVIDER IDENTIFIER (NPI) 1215062104
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	\$	363,773	\$ 166.49
Net Audit Adjustment		<u>(5,722)</u>	<u>(3.00)</u>
Audited Cost/Cost Per Day	\$	<u>358,051</u>	\$ <u>163.49</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$474 which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) 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 Fee-For-Service Rates Development Division.

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.

Kelly Snelling
Page 3

If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

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

Provider:
CHRISTOPHER RANCH I

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

Provider NPI:
1215062104

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adjs 19,20)	0	2,190
2. Medi-Cal Managed Care Days (Adj 19)	2,185	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,185</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>363,773</u>	\$ <u>358,051</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>166.49</u>	\$ <u>163.49</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 21)	\$ <u>NA</u>	\$ <u>474</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:
CHRISTOPHER RANCH I

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

Provider NPI:
1215062104

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		\$ 8,734	\$	\$ 8,734
050	Leases and Rentals				0
055	Real Property Taxes		2,234		2,234
060	Personal Property Taxes				0
065	Mortgage Interest	3	4,737	(275)	4,462
070	Property Insurance	4	0	1,346	1,346
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,705	\$ 1,071	\$ 16,776
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,5,6	\$ 21,391	\$ (180)	\$ 21,211
085	Utilities	5	9,854	(737)	9,117
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary	5	15,580	(1,235)	14,345
100	Personal Care and Laundry	1,5,7,8	19,359	936	20,295
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 66,184	\$ (1,216)	\$ 64,968
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 81,889	\$ (145)	\$ 81,744
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	9	\$ 13,000	\$ (1,000)	\$ 12,000
120	QMRP Fringe Benefits	2	4,690	(4,690)	0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries	5,10	104,192	(357)	103,835
140	Aides Fringe Benefits	2,5,11,12,13	37,589	(3,818)	33,771
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 159,471	\$ (9,865)	\$ 149,606

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CHRISTOPHER RANCH I

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

Provider NPI:
1215062104

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	5	\$ 1,287	\$ (102)	\$ 1,185
165	Speech Pathology Consultant		640		640
170	Physical Therapy Consultant		650		650
175	Occupational Therapy Consultant	14	750	(150)	600
180	Pharmacist Consultant				0
185	Nurse Consultant	5,15	12,062	(368)	11,694
190	Psychologist Consultant	16	3,080	(2,031)	1,049
195	Physician Consultant	5	3,847	26	3,873
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 22,316	\$ (2,625)	\$ 19,691
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 27,076		\$ 27,076
225	Administrative Fringe Benefits		12,917		12,917
226	Quality Assurance Fees (excluding Adult Day Services)	6	22,364	6,387	28,751
230	Other General and Administrative*** (Excluding Adult Day Services)	5,6,17,18	37,740	526	38,266
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 100,097	\$ 6,913	\$ 107,010
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 363,773	\$ (5,722)	\$ 358,051
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0		\$ 0
241	Adult Day Services and Related Transportation		259,622		259,622
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 623,395	\$ (5,722)	\$ 617,673

Page 2 of 2

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CHRISTOPHER RANCH I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215062104	21	
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				
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>										
1	4	080	4	2	080	3	Home Operations and Maintenance	\$21,391	(\$526)	\$20,865 *
	4	100	4	2	100	3	Personal Care and Laundry	19,359	526	19,885 *
							To reclassify social services expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8			
2	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$4,690	(\$4,690)	\$0
	4.1	140	4	2	140	3	Aides Fringe Benefits	37,589	4,690	42,279 *
							To adjust the provider's reclassification of fringe benefits for QMRP salaries for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
CHRISTOPHER RANCH I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215062104		21	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
3	4	065	4	2	065	3	Mortgage Interest To adjust reported mortgage interest expense to agree with the provider's mortgage statement. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$4,737	(\$275)	\$4,462	
4	4	070	4	2	070	3	Property Insurance To include property insurance expense which was not previous reported for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$0	\$1,346	\$1,346	
5	4	080	4	2	080	3	Home Operations and Maintenance	*	\$20,865	\$680	\$21,545 *
	4	085	4	2	085	3	Utilities		9,854	(737)	9,117
	4	095	4	2	095	3	Dietary		15,580	(1,235)	14,345
	4	100	4	2	100	3	Personal Care and Laundry	*	19,885	592	20,477 *
	4.1	135	4	2	135	3	Aides Salaries		104,192	240	104,432 *
	4.1	140	4	2	140	3	Aides Fringe Benefits	*	42,279	(2,935)	39,344 *
	4.1	160	4	2	160	3	Dietician Consultant		1,287	(102)	1,185
	4.1	185	4	2	185	3	Nurse Consultant		12,062	534	12,596 *
	4.1	195	4	2	195	3	Physician Consultant		3,847	26	3,873
	4.1	230	4	2	230	3	Other General and Administrative To correct provider's allocation of shared expenses based on the ratio of audited client days. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		37,740	26	37,766 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
CHRISTOPHER RANCH I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215062104		21	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
6	4	080	4	2	080	3	Home Operations and Maintenance	*	\$21,545	(\$334)	\$21,211
	4.1	226	4	2	226	3	Quality Assurance Fees		22,364	6,387	28,751
	4.1	230	4	2	230	3	Other General and Administrative 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	*	37,766	765	38,531 *
	4	100	4	2	100	3	Personal Care and Laundry	*	\$20,477		
7							To eliminate expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			(\$123)	
8							To adjust the reported expense to agree with the provider's supporting documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(59) (\$182)	\$20,295
9	4.1	115	4	2	115	3	QMRP Salaries To adjust QMRP expenses to agree with the contract agreement. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$13,000	(\$1,000)	\$12,000
10	4.1	135	4	2	135	3	Aides Salaries To adjust aides salaries expense to agree with the provider's payroll records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$104,432	(\$597)	\$103,835

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
CHRISTOPHER RANCH I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1215062104		21
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					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
	4.1	140	4	2	140	3	Aides Fringe Benefits	*	\$39,344		
11							To adjust payroll tax expenses to agree with the provider's payroll records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(\$4,662)	
12							To adjust vacation and holiday expenses to agree with the provider's payroll records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(102)	
13							To adjust workers' compensation insurance expense to agree with the provider's supporting documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			<u>(809)</u> (\$5,573)	
14	4.1	175	4	2	175	3	Occupational Therapy Consultant To adjust occupational therapy consultant expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		\$750	(\$150)	
15	4.1	185	4	2	185	3	Nurse Consultant To adjust nursing consultant expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306	*	\$12,596	(\$902)	
*Balance carried forward from prior/to subsequent adjustments											

Provider Name							Fiscal Period	Provider NPI		Adjustments
CHRISTOPHER RANCH I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215062104		21
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				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
16	4.1	190	4	2	190	3	Psychologist Consultant To eliminate psychologist consultant expenses belonging to other facilities. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$3,080	(\$2,031)	\$1,049
	4.1	230	4	2	230	3	Other General and Administrative	*	\$38,531	
17							To eliminate CAHF expense that should have been reported on the home office cost report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$116)	
18							To eliminate expenses belonging to a residential care facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(149) (\$265)	\$38,266

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CHRISTOPHER RANCH I							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215062104	21	
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				
<u>ADJUSTMENTS TO REPORTED PATIENT DAYS</u>										
19	2	3	1	1	1		Medi-Cal Client Days	0	2,185	2,185 *
	2	3	2	1	2		Medi-Cal Managed Care Days To reclassify Medi-Cal Managed Care days to agree with the providers patient census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	2,185	(2,185)	0
20	2	3	1	1	1		Medi-Cal Client Days	* 2,185	5	2,190
	2	3	4	1	4		Total Client Days To adjust total patient days to agree with the provider's patient census records. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	2,185	5	2,190

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
CHRISTOPHER RANCH I				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1215062104		21
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				
<u>ADJUSTMENT TO OTHER MATTERS</u>										
21	Not Reported			1	1		Share of Cost To recover Medi-Cal overpayments because the share of cost was not properly deducted from the amount billed, and due to lack of documentation. 42 CFR 413.5, 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300, 2304, and 2409 CCR, Title 22, Section 50786, 51458.1, and 51476 W&I Code 14124.2(b)	\$0	\$474	\$474