

**REPORT
ON THE
RATE SETTING AUDIT**

**CANTLAY HOUSE
VAN NUYS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1083800890**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Maria Delgado
Audit Supervisor: Deborah Lee
Auditor: Gary Chan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 31, 2013

Carl King, Administrator
Cantlay House
14160 Cantlay Street
Van Nuys, CA 91405

CANTLAY HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI): 1083800890
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	\$	327,073	\$ 149.35
Net Audit Adjustment		<u>(8,928)</u>	<u>(4.08)</u>
Audited Cost/Cost Per Day	\$	<u>318,145</u>	\$ <u>145.27</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.

Carl King
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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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

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

Provider:
CANTLAY HOUSE

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

Provider NPI:
1083800890

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>327,073</u>	\$ <u>318,145</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>149.35</u>	\$ <u>145.27</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>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CANTLAY HOUSE

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

Provider NPI:
1083800890

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		\$	\$	\$ 0
050	Leases and Rentals		36,000		36,000
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)		\$ 36,000	\$ 0	\$ 36,000
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,2	\$ 5,532	\$ (1,931)	\$ 3,601
085	Utilities		7,982		7,982
090	Client Transportation (excluding Adult Day Services)	3	4,432	(173)	4,259
095	Dietary		11,477		11,477
100	Personal Care and Laundry		646		646
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 30,069	\$ (2,104)	\$ 27,965
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 66,069	\$ (2,104)	\$ 63,965
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 59,400	\$	\$ 59,400
120	QMRP Fringe Benefits		16,802		16,802
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		112,797		112,797
140	Aides Fringe Benefits		11,215		11,215
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 200,214	\$ 0	\$ 200,214

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CANTLAY HOUSE

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

Provider NPI:
1083800890

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 720	\$	\$ 720
165	Speech Pathology Consultant		1,294		1,294
170	Physical Therapy Consultant		508		508
175	Occupational Therapy Consultant		1,509		1,509
180	Pharmacist Consultant		300		300
185	Nurse Consultant	4	13,650	(1,050)	12,600
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		1,305		1,305
205	Social Service Consultant				0
210	Other Consultant		1,335		1,335
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 20,621	\$ (1,050)	\$ 19,571
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)	5	23,160	(5,774)	17,386
230	Other General and Administrative*** (Excluding Adult Day Services)		17,009		17,009
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 40,169	\$ (5,774)	\$ 34,395
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 327,073	\$ (8,928)	\$ 318,145
	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)		\$ 327,073	\$ (8,928)	\$ 318,145

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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	
CANTLAY HOUSE			JANUARY 01, 2011 THROUGH DECEMBER 31, 2011				1083800890		5	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report			Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Line	Col.	Sch.	Line				
ADJUSTMENTS TO REPORTED COSTS										
1	4	080	4	2	080	3	Home Operations and Maintenance To eliminate Home Operations and Maintenance expenses 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)	\$5,532	(\$631)	\$4,901 *
2	4	080	4	2	080	3	Home Operations and Maintenance To adjust Home Operations and Maintenance expenses 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	* \$4,901	(\$1,300)	\$3,601
3	4	090	4	2	090	3	Client Transportation To adjust the reported Client Transportation expenses to agree with invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$4,432	(\$173)	\$4,259
4	4.1	185	4	2	185	3	Nurse Consultant To reconcile Nurse Consultant expenses to agree with the provider records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$13,650	(\$1,050)	\$12,600
5	4.1	226	4	2	226	3	Quality Assurance Fees To adjust Quality Assurance Fees 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	\$23,160	(\$5,774)	\$17,386

*Balance carried forward from prior/to subsequent adjustment