

**REPORT
ON THE
RATE SETTING AUDIT**

**ANGELS GARDEN
GARDENA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1205010824**

**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: Angela Guan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 27, 2013

Andre Greene, Administrator
Angels Garden
15319 Spinning Avenue
Gardena, CA 90249

ANGELS GARDEN
NATIONAL PROVIDER IDENTIFIER (NPI): 1205010824
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	\$	297,746	\$ 160.94
Net Audit Adjustment		<u>(8,302)</u>	<u>(4.48)</u>
Audited Cost/Cost Per Day	\$	<u>289,444</u>	\$ <u>156.46</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.

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.

Andre Greene
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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

CC: Tita De Guzman
Cost Report Preparer
Angels Garden
1120 South Diamond Bar Boulevard
Diamond Bar, CA 91765

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

Provider:
ANGELS GARDEN

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

Provider NPI:
1205010824

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 9)	1,850	1,825
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj 9)	0	25
4. Total Client Days	<u>1,850</u>	<u>1,850</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>297,746</u>	\$ <u>289,444</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>160.94</u>	\$ <u>156.46</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>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ANGELS GARDEN

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

Provider NPI:
1205010824

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	2	\$ 8,487	\$ (4,676)	\$ 3,811
050	Leases and Rentals		0		0
055	Real Property Taxes		4,379		4,379
060	Personal Property Taxes		0		0
065	Mortgage Interest	3	14,228	(1,574)	12,654
070	Property Insurance		350		350
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,444	\$ (6,250)	\$ 21,194
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,491	\$	\$ 3,491
085	Utilities	4	4,710	(63)	4,647
090	Client Transportation (excluding Adult Day Services)		1,351		1,351
095	Dietary	1, 5	13,089	(1,080)	12,009
100	Personal Care and Laundry	1, 6	1,141	46	1,187
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 23,782	\$ (1,097)	\$ 22,685
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 51,226	\$ (7,347)	\$ 43,879
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 15,360	\$	\$ 15,360
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		26,400		26,400
130	Lead Fringe Benefits		4,254		4,254
135	Aides Salaries		106,944		106,944
140	Aides Fringe Benefits		17,783		17,783
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 170,741	\$ 0	\$ 170,741

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ANGELS GARDEN

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

Provider NPI:
1205010824

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 600	\$	\$ 600
165	Speech Pathology Consultant		700		700
170	Physical Therapy Consultant	7	1,237	(55)	1,182
175	Occupational Therapy Consultant		150		150
180	Pharmacist Consultant		375		375
185	Nurse Consultant	8	12,600	(900)	11,700
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant				0
210	Other Consultant		1,344		1,344
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,006	\$ (955)	\$ 16,051
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 25,432	\$	\$ 25,432
225	Administrative Fringe Benefits		2,815		2,815
226	Quality Assurance Fees (excluding Adult Day Services)		15,342		15,342
230	Other General and Administrative*** (Excluding Adult Day Services)		15,184		15,184
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 58,773	\$ 0	\$ 58,773
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 297,746	\$ (8,302)	\$ 289,444
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 1,019	\$	\$ 1,019
241	Adult Day Services and Related Transportation		157,783		157,783
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 456,548	\$ (8,302)	\$ 448,246

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period		Provider NPI		Adjustments
ANGELS GARDEN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1205010824		9
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>RECLASSIFICATION OF REPORTED COSTS</u>											
1	4	095	4	2	095	3	Dietary	\$13,089	(\$71)	\$13,018 *	
	4	100	4	2	100	3	Personal Care and Laundry To reclassify dietary 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 2302.6	1,141	71	1,212 *	

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI	Adjustments		
ANGELS GARDEN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1205010824	9		
Adj. No.	Report References			Audit Report			Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS											
2	4	045	4	2	045	3	Depreciation and Amortization To adjust depreciation to agree with the provider's invoices. 42 CFR 413.20, 413.24, 413.50 and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302.4 and 2304	\$8,487	(\$4,676)	\$3,811	
3	4	065	4	2	065	3	Mortgage Interest To eliminate interest expense not related to patient care. 42 CFR 413.9(c)(3) and 413.153 CMS Pub. 15-1, Sections 202.2 and 2102.3	\$14,228	(\$1,574)	\$12,654	
4	4	085	4	2	085	3	Utilities To adjust utility 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	\$4,710	(\$63)	\$4,647	
5	4	095	4	2	095	3	Dietary To adjust the dietary 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	* \$13,018	(\$1,009)	\$12,009	
6	4	100	4	2	100	3	Personal Care and Laundry To adjust the reported personal care and laundry expense to agree with provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$1,212	(\$25)	\$1,187	
7	4.1	170	4	2	170	3	Physical Therapy Consultant To adjust the reported physical therapy consultant expense to agree with provider's invoice. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,237	(\$55)	\$1,182	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments	
ANGELS GARDEN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1205010824	9	
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>										
8	4.1	185	4	2	185	3	Nurse Consultant To adjust nurse 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	\$12,600	(\$900)	\$11,700

Provider Name							Fiscal Period	Provider NPI		Adjustments
ANGELS GARDEN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1205010824		9
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 REPORTED PATIENT DAYS</u>										
9	2	3	1	1	1	Medi-Cal Days	1,850	(25)	1,825	
	2	3	3	1	3	Other - Client Days	0	25	25	
To adjust reported Medi-Cal days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through December 31, 2012 Report Date: January 15, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541										