

**REPORT  
ON THE  
RATE SETTING AUDIT**

**ELM PARK  
LYNWOOD, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1215076062**

**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

October 24, 2012

Susan Parr, Administrator  
Elm Park  
3351 East Imperial Highway  
Lynwood, CA 90262

ELM PARK  
NATIONAL PROVIDER IDENTIFIER (NPI): 1215076062  
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	\$	428,541		\$ 195.95
Net Audit Adjustment		<u>(60,426)</u>		<u>(27.63)</u>
Audited Cost/Cost Per Day	\$	<u>368,115</u>		\$ <u>168.32</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.

Susan Parr, Administrator  
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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:**  
ELM PARK

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

**Provider NPI:**  
1215076062

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
<b>SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY</b>		
1. Medi-Cal Client Days (Adj )	2,187	2,187
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,187</u>	<u>2,187</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>428,541</u>	\$ <u>368,115</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>195.95</u>	\$ <u>168.32</u>
<b>SHARE OF COST</b>		
1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
<b>OVERPAYMENTS</b>		
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: ELM PARK  
 Provider NPI: 1215076062  
 Fiscal Period: JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

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	1	50,700	(50,700)	0
055	Real Property Taxes		3,289		3,289
060	Personal Property Taxes		0		0
065	Mortgage Interest	2	8,284	(8,284)	0
070	Property Insurance		1,818		1,818
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 64,091	\$ (58,984)	\$ 5,107
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 2,787	\$	\$ 2,787
085	Utilities	3	9,032	(411)	8,621
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		8,712		8,712
100	Personal Care and Laundry	4	9,362	(492)	8,870
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 29,893	\$ (903)	\$ 28,990
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 93,984	\$ (59,887)	\$ 34,097
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 13,241	\$	\$ 13,241
120	QMRP Fringe Benefits		4,083		4,083
125	Lead Salaries		41,426		41,426
130	Lead Fringe Benefits		15,682		15,682
135	Aides Salaries		127,454		127,454
140	Aides Fringe Benefits		47,555		47,555
145	Other Salaries		4,733		4,733
150	Other Fringe Benefits		1,889		1,889
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 256,063	\$ 0	\$ 256,063

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider: ELM PARK  
 Provider NPI: 1215076062  
 Fiscal Period: JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

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		\$ 200	\$	\$ 200
165	Speech Pathology Consultant		884		884
170	Physical Therapy Consultant		625		625
175	Occupational Therapy Consultant		3,120		3,120
180	Pharmacist Consultant		380		380
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,620		2,620
195	Physician Consultant		100		100
200	Recreational Consultant		1,320		1,320
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 9,249	\$ 0	\$ 9,249
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 16,000	\$	\$ 16,000
225	Administrative Fringe Benefits		2,151		2,151
226	Quality Assurance Fees (excluding Adult Day Services)	5	17,745	2,551	20,296
230	Other General and Administrative*** (Excluding Adult Day Services)	6	33,349	(3,090)	30,259
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 69,245	\$ (539)	\$ 68,706
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 428,541	\$ (60,426)	\$ 368,115
	<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		174,800		174,800
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 603,341	\$ (60,426)	\$ 542,915

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

\*\*\* List allocated administrative costs on Line 23C

Provider Name		Fiscal Period		Provider NPI		Adjustments				
ELM PARK		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1215076062		6				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
		Line	Col.	Line	Col					
<b>ADJUSTMENTS TO REPORTED COSTS</b>										
1	4	050	4	2	050	3	Leases and Rentals To eliminate rental/lease expenses paid to a related par 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	\$50,700	(\$50,700)	\$0
2	4	065	4	2	065	3	Mortgage Interes To eliminate mortgage interest expense due to insufficient documentatic 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$8,284	(\$8,284)	\$0
3	4	085	4	2	085	3	Utilities To eliminate prior year utility expense: 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	\$9,032	(\$411)	\$8,621
4	4	100	4	2	100	3	Personal Care and Laundry To eliminate prior year non-medical expense: 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	\$9,362	(\$492)	\$8,870
5	4.1	226	4	2	226	3	Quality Assurance Fees To adjust quality assurance fees 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	\$17,745	\$2,551	\$20,296
6	4.1	230	4	2	230	3	Other General and Administrati To adjust administrative license expense to agree with expense applicable the audit period 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$33,349	(\$3,090)	\$30,259