

**REPORT  
ON THE  
RATE SETTING AUDIT**

**ARLINGTON HOME #4  
LONG BEACH, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1629235114**

**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: Cyrus Lam  
Auditor: Parith Rox Uch**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 28, 2013

Pritam S. Matharu, Administrator  
Arlington Home #4  
6470 Paramount Blvd.  
Long Beach, CA 90805

ARLINGTON HOME #4  
NATIONAL PROVIDER IDENTIFIER (NPI): 1629235114  
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	\$	337,433	\$ 154.08
Net Audit Adjustment		(0)	(0)
Audited Cost/Cost Per Day	\$	<u>337,433</u>	\$ <u>154.08</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.

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:**  
ARLINGTON HOME #4

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

**Provider NPI:**  
1629235114

**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 1)	2,190	2,162
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj 2)	0	28
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>337,433</u>	\$ <u>337,433</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>154.08</u>	\$ <u>154.08</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
--	--------------	-------------

**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:  
ARLINGTON HOME #4

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

Provider NPI:  
1629235114

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		\$ 3,106	\$	\$ 3,106
050	Leases and Rentals		0		0
055	Real Property Taxes		2,269		2,269
060	Personal Property Taxes		0		0
065	Mortgage Interest		1,668		1,668
070	Property Insurance		311		311
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 7,354	\$ 0	\$ 7,354
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 6,562	\$	\$ 6,562
085	Utilities		7,230		7,230
090	Client Transportation (excluding Adult Day Services)		2,873		2,873
095	Dietary		13,542		13,542
100	Personal Care and Laundry		6,189		6,189
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 36,396	\$ 0	\$ 36,396
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 43,750	\$ 0	\$ 43,750
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		31,658		31,658
130	Lead Fringe Benefits		4,271		4,271
135	Aides Salaries		114,561		114,561
140	Aides Fringe Benefits		16,279		16,279
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 166,769	\$ 0	\$ 166,769

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
ARLINGTON HOME #4

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

Provider NPI:  
1629235114

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		\$ 370	\$	\$ 370
165	Speech Pathology Consultant		2,121		2,121
170	Physical Therapy Consultant		2,393		2,393
175	Occupational Therapy Consultant		923		923
180	Pharmacist Consultant		108		108
185	Nurse Consultant		11,480		11,480
190	Psychologist Consultant		2,296		2,296
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		21,199		21,199
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 40,890	\$ 0	\$ 40,890
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		18,339		18,339
230	Other General and Administrative*** (Excluding Adult Day Services)		67,685		67,685
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 86,024	\$ 0	\$ 86,024
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 337,433	\$ 0	\$ 337,433
	<b>NON-CLIENT CARE EXPENSES</b>		(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)		\$ 337,433	\$ 0	\$ 337,433

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

\*\*\* List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
ARLINGTON HOMES #4							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1629235114		2
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>ADJUSTMENTS TO REPORTED PATIENT DAYS</b>										
1	2	3	1	1	1	Medi-Cal Client Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 01, 2011 through December 31, 2011 Payment Period: January 01, 2011 through May 31, 2013 Report Date: June 07, 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	2,190	(28)	2,162	
2	2	3	2	1	3	Other Client Days To adjust other client days to agree with the provider's patient census report. 42 CFR 413.20 and 413.50 CMS Pub. 15-1. Sections 2205 and 2304	0	28	28	