

**REPORT
ON THE
RATE SETTING AUDIT**

**CASA DEL MAR GROUP HOME
ORCUTT, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1689850802**

**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: Ken Lo**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 7, 2013

Les Iverson, Administrator
Casa Del Mar Group Home
4615 Cameo Drive
Orcutt, CA 93455

CASA DEL MAR GROUP HOME
NATIONAL PROVIDER IDENTIFIER (NPI): 1689850802
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	\$	277,250		\$ 0.00
Net Audit Adjustment		<u>26,312</u>		<u>156.72</u>
Audited Cost/Cost Per Day	\$	<u>303,562</u>		\$ <u>156.72</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
Enclosed

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

Provider:

CASA DEL MAR GROUP HOME

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1689850802

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	0	0
2. Medi-Cal Managed Care Days (Adj 19)	0	1,937
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>0</u>	<u>1,937</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>277,250</u>	\$ <u>303,562</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>0.00</u>	\$ <u>156.72</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> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CASA DEL MAR GROUP HOME

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

Provider NPI:
1689850802

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				0
055	Real Property Taxes	5	4,695	(535)	4,160
060	Personal Property Taxes	6	1,655	(1,655)	0
065	Mortgage Interest	17	31,276	(12,391)	18,885
070	Property Insurance	16	1,200	(1,200)	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 38,826	\$ (15,781)	\$ 23,045
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,7	\$ 7,402	\$ 3,234	\$ 10,636
085	Utilities	1,2,8	4,392	(634)	3,758
090	Client Transportation (excluding Adult Day Services)		3,600		3,600
095	Dietary		14,400		14,400
100	Personal Care and Laundry	3,9	19,550	(3,657)	15,893
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 49,344	\$ (1,057)	\$ 48,287
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 88,170	\$ (16,838)	\$ 71,332
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	10	\$ 24,000	\$ (3,802)	\$ 20,198
120	QMRP Fringe Benefits				0
125	Lead Salaries	12	32,360	(11,006)	21,354
130	Lead Fringe Benefits	4		1,452	1,452
135	Aides Salaries		91,200		91,200
140	Aides Fringe Benefits	4		7,564	7,564
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 147,560	\$ (5,792)	\$ 141,768

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CASA DEL MAR GROUP HOME

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

Provider NPI:
1689850802

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	4,13	\$ 2,400	\$ (1,385)	\$ 1,015
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant	3		200	200
185	Nurse Consultant	4,14	12,000	(4,257)	7,743
190	Psychologist Consultant	15	3,120	(1,537)	1,583
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,520	\$ (6,979)	\$ 10,541
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	11	\$ 24,000	\$ (10,535)	\$ 13,465
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)				0
230	Other General and Administrative*** (Excluding Adult Day Services)	2,4,18		66,456	66,456
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 24,000	\$ 55,921	\$ 79,921
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 277,250	\$ 26,312	\$ 303,562
	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)		\$ 277,250	\$ 26,312	\$ 303,562

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period		Provider NPI		Adjustments
CASA DEL MAR GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1689850802		19
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.					
RECLASSIFICATIONS OF REPORTED COSTS											
1	4	080	4	2	080	3	Home Operations and Maintenance	\$7,402	\$2,349	\$9,751 *	
	4	085	4	2	085	3	Utilities	4,392	(2,349)	2,043 *	
							To reclassify home operation and maintenance expenses from utilities to the correct cost line for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8				
2	4	085	4	2	085	3	Utilities	* \$2,043	(\$2,106)	(\$63) *	
	4.1	230	4	2	230	3	Other General and Administrative	0	2,106	2,106 *	
							To reclassify other general and administration expenses from utilities the correct cost line for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8				
3	4	100	4	2	100	3	Personal Care and Laundry	\$19,550	(\$200)	\$19,350 *	
	4.1	180	4	2	180	3	Pharmacist Consultant	0	200	200	
							To reclassify the pharmacist consultant to the correct cost line for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8				
4	4.1	130	4	2	130	3	Lead Fringe Benefits	\$0	\$1,452	\$1,452	
	4.1	140	4	2	140	3	Aides Fringe Benefits	0	7,564	7,564	
	4.1	160	4	2	160	3	Dietician Consultant	2,400	65	2,465 *	
	4.1	185	4	2	185	3	Nurse Consultant	12,000	493	12,493 *	
	4.1	230	4	2	230	3	Other General and Administrative	* 2,106	(9,574)	(7,468) *	
							To reclassify employer paid benefits 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 adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA DEL MAR GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1689850802		19
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.				
ADJUSTMENTS TO REPORTED COSTS										
5	4	055	4	2	055	3	Real Property Taxes To adjust the real property tax to agree with the property tax bill. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$4,695	(\$535)	\$4,160
6	4	060	4	2	060	3	Personal Property Taxes To adjust the personal property tax to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,655	(\$1,655)	\$0
7	4	080	4	2	080	3	Home Operations and Maintenance To reconcile the reported home operation and maintenance expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$9,751	\$885	\$10,636
8	4	085	4	2	085	3	Utilities To reconcile the reported utilities expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* (\$63)	\$3,821	\$3,758
9	4	100	4	2	100	3	Personal Care and Laundry To reconcile the reported personal care and laundry expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$19,350	(\$3,457)	\$15,893

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CASA DEL MAR GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1689850802		19
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.				
ADJUSTMENTS TO REPORTED COSTS										
10	4.1	115	4	2	115	3	QMRP Salaries To reconcile the reported QMRP salaries to agree with the provider's income tax return. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$24,000	(\$3,802)	\$20,198
11	4.1	220	4	2	220	3	Administrative Salaries To reconcile the reported administrator salaries to agree with the provider's income tax return. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$24,000	(\$10,535)	\$13,465
12	4.1	125	4	2	125	3	Lead Salaries To adjust lead salaries to agree with general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$32,360	(\$11,006)	\$21,354
13	4.1	160	4	2	160	3	Dietician Consultant To reconcile the reported dietitian consultant expenses to agree with the ADP payroll register. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$2,465	(\$1,450)	\$1,015
13	4.1	185	4	2	185	3	Nurse Consultant To reconcile the reported nurse consultant expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$12,493	(\$4,750)	\$7,743

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
CASA DEL MAR GROUP HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1689850802		19
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				
ADJUSTMENTS TO REPORTED COSTS										
15	4.1	190	4	2	190	3	Psychologist Consultant To reconcile the reported psychologist consultant expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$3,120	(\$1,537)	\$1,583
16	4	070	4	2	070	3	Property Insurance To adjust the personal property insurance to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,200	(\$1,200)	\$0
17	4	065	4	2	065	3	Mortgage Interest To reconcile the reported expenses to agree with the provider's paid invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$31,276	(\$12,391)	\$18,885
18	4.1	230	4	2	230	3	Other General and Administrative To reconcile the reported other general and administrative expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*(7,468)	\$73,924	\$66,456

*Balance carried forward from prior/to subsequent adjustments

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CASA DEL MAR GROUP HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1689850802		19
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>										
19	2	3	2	1	2	Medi-Cal Managed Care Days To adjust total Medi-Cal Managed Care days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	1,937	1,937	