

**REPORT
ON THE
RATE SETTING AUDIT**

**DANIEL'S CARE CENTER
GARDENA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1730397944**

**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: Ginn Sampson
Auditor: Derek Bradley**



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



EDMUND G. BROWN JR.
GOVERNOR

May 28, 2013

Rosenda M. Chapman, Administrator
Daniel's Care Center
1309 West 159th Street
Gardena, CA 90247-4323

DANIEL'S CARE CENTER
NATIONAL PROVIDER IDENTIFIER (NPI): 1730397944
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	\$	320,417	\$ 171.81
Net Audit Adjustment		(11,194)	(6.01)
Audited Cost/Cost Per Day	\$	<u>309,223</u>	\$ <u>165.80</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:
DANIEL'S CARE CENTER

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

Provider NPI:
1730397944

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED	ADJUSTMENT INPUT ONLY
1. Medi-Cal Client Days (Adj)	1,865	1,865	
2. Medi-Cal Managed Care Days (Adj)		0	
3. Other Client Days (Adj)		0	
4. Total Client Days	<u>1,865</u>	<u>1,865</u>	
5. Total Client Care Expenses (From Sch. 2)	\$ <u>320,417</u>	\$ <u>309,223</u>	
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>171.81</u>	\$ <u>165.80</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:
DANIEL'S CARE CENTER

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

Provider NPI:
1730397944

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		\$ 13,430	\$	\$ 13,430
050	Leases and Rentals				0
055	Real Property Taxes		5,046		5,046
060	Personal Property Taxes				0
065	Mortgage Interest	1	23,500	(6,474)	17,026
070	Property Insurance		710		710
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 42,686	\$ (6,474)	\$ 36,212
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 4,266	\$ (360)	\$ 3,906
085	Utilities		5,556		5,556
090	Client Transportation (excluding Adult Day Services)		6,418		6,418
095	Dietary		10,308		10,308
100	Personal Care and Laundry	3,4	5,643	(1,379)	4,264
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,191	\$ (1,739)	\$ 30,452
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 74,877	\$ (8,213)	\$ 66,664
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 26,400	\$	\$ 26,400
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		105,730		105,730
140	Aides Fringe Benefits		11,314		11,314
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 143,444	\$ 0	\$ 143,444

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DANIEL'S CARE CENTER

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

Provider NPI:
1730397944

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 250	\$	\$ 250
165	Speech Pathology Consultant	5	981	(76)	905
170	Physical Therapy Consultant		753		753
175	Occupational Therapy Consultant	6	420	(120)	300
180	Pharmacist Consultant	5	520	(130)	390
185	Nurse Consultant	5	14,895	(30)	14,865
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant	5	413	(193)	220
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,232	\$ (549)	\$ 17,683
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 36,000	\$	\$ 36,000
225	Administrative Fringe Benefits		3,661		3,661
226	Quality Assurance Fees (excluding Adult Day Services)		16,365		16,365
230	Other General and Administrative*** (Excluding Adult Day Services)	7,8	27,838	(2,432)	25,406
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 83,864	\$ (2,432)	\$ 81,432
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 320,417	\$ (11,194)	\$ 309,223
	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)		\$ 320,417	\$ (11,194)	\$ 309,223

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
DANIEL'S CARE CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1730397944		8
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										
1	4	065	4	2	065	3	Mortgage Interest To eliminate mortgage interest expense due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$23,500	(\$6,474)	\$17,026
2	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operations and maintenance expense 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)	\$4,266	(\$360)	\$3,906
3	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care and laundry expense due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$5,643	(\$926)	\$4,717 *
4	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care and laundry expense 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)	* \$4,717	(\$453)	\$4,264

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments
DANIEL'S CARE CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1730397944		8
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	4.1	165	4	2	165	3	Speech Pathology Consultant	\$981	(\$76)	\$905
	4.1	180	4	2	180	3	Pharmacist Consultant	520	(130)	390
	4.1	185	4	2	185	3	Nurse Consultant	14,895	(30)	14,865
	4.1	200	4	2	200	3	Recreational Consultant	413	(193)	220
							To eliminate consultant 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)			
6	4.1	175	4	2	175	3	Occupational Therapy Consultant	\$420	(\$120)	\$300
							To adjust occupational therapy 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			
7	4.1	230	4	2	230	3	Other General and Administrative	\$27,838	(\$932)	\$26,906 *
							To eliminate other general and administrative 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)			
8	4.1	230	4	2	230	3	Other General and Administrative	\$26,906	(\$1,500)	\$25,406
							To eliminate other general and administrative expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

*Balance carried forward from prior/to subsequent adjustments