

**REPORT
ON THE
RATE SETTING AUDIT**

**CORINTHIAN CARE CENTER
SARATOGA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1851307540**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**Audits Section—Richmond
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Louise Wong
Audit Supervisor: Ken Phelan
Auditor: Joy Maramag**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

December 21, 2012

Janet T. Kempis, Administrator
Corinthian Care Center
18460 Allendale Avenue
Saratoga, CA 95070

CORINTHIAN CARE CENTER
NATIONAL PROVIDER IDENTIFIER (NPI) 1851307540
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	\$	413,621	\$ 188.87
Net Audit Adjustment		<u>(76,686)</u>	<u>(35.02)</u>
Audited Cost/Cost Per Day	\$	<u>336,935</u>	\$ <u>153.85</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.

Janet T. Kempis
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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:

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

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

Provider:
CORINTHIAN CARE CENTER

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

Provider NPI:
1851307540

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,825	1,825
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	365	365
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>413,621</u>	\$ <u>336,935</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>188.87</u>	\$ <u>153.85</u>

SHARE OF COST

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

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:
CORINTHIAN CARE CENTER

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

Provider NPI:
1851307540

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	1	\$ 23,377	\$ (9,098)	\$ 14,279
050	Leases and Rentals		4,168	0	4,168
055	Real Property Taxes		8,872	0	8,872
060	Personal Property Taxes		2,190	0	2,190
065	Mortgage Interest	2	84,854	(14,830)	70,024
070	Property Insurance		6,694	0	6,694
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 130,155	\$ (23,928)	\$ 106,227
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3	\$ 29,910	\$ (15,240)	\$ 14,670
085	Utilities	4	31,200	(22,482)	8,718
090	Client Transportation (excluding Adult Day Services)		6,837	0	6,837
095	Dietary	5	27,306	(8,602)	18,704
100	Personal Care and Laundry	6	21,992	(6,434)	15,558
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 117,245	\$ (52,758)	\$ 64,487
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 247,400	\$ (76,686)	\$ 170,714
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,000	\$ 0	\$ 18,000
120	QMRP Fringe Benefits		2,100	0	2,100
125	Lead Salaries		14,440	0	14,440
130	Lead Fringe Benefits		2,000	0	2,000
135	Aides Salaries		27,200	0	27,200
140	Aides Fringe Benefits		2,300	0	2,300
145	Other Salaries		5,100	0	5,100
150	Other Fringe Benefits		480	0	480
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 71,620	\$ 0	\$ 71,620

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CORINTHIAN CARE CENTER

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

Provider NPI:
1851307540

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,500	\$ 0	\$ 1,500
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,300	0	1,300
175	Occupational Therapy Consultant		1,300	0	1,300
180	Pharmacist Consultant		120	0	120
185	Nurse Consultant		18,000	0	18,000
190	Psychologist Consultant		750	0	750
195	Physician Consultant		2,000	0	2,000
200	Recreational Consultant		1,000	0	1,000
205	Social Service Consultant		1,500	0	1,500
210	Other Consultant		3,720	0	3,720
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 31,190	\$ 0	\$ 31,190
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 45,000	\$ 0	\$ 45,000
225	Administrative Fringe Benefits		5,000	0	5,000
226	Quality Assurance Fees (excluding Adult Day Services)		2,000	0	2,000
230	Other General and Administrative*** (excluding Adult Day Services)		11,411	0	11,411
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 63,411	\$ 0	\$ 63,411
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 413,621	\$ (76,686)	\$ 336,935
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 7,321	\$ 0	\$ 7,321
241	Adult Day Services and Related Transportation		124,019	0	124,019
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 544,961	\$ (76,686)	\$ 468,275

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
CORINTHIAN CARE CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1851307540		6
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>										
1	4	045	4	2	045	3	Depreciation and Amortization To adjust the reported depreciation expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$23,377	(\$9,098)	\$14,279
2	4	065	4	2	065	3	Mortgage Interest To adjust the reported mortgage expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$84,854	(\$14,830)	\$70,024
3	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operation expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$29,910	(\$15,240)	\$14,670
4	4	085	4	2	085	3	Utilities To adjust the reported utilities expense to agree with the utility invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$31,200	(\$22,482)	\$8,718
5	4	095	4	2	095	3	Dietary To eliminate dietary expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$27,306	(\$8,602)	\$18,704
6	4	100	4	2	100	3	Personal Care and Laundry To eliminate personal care expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$21,992	(\$6,434)	\$15,558