

**REPORT
ON THE
RATE SETTING AUDIT**

**CEDAR RIDGE HOUSE
ANTIOCH, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1811102791**

**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: Diana Dong
Auditor: Gurdip Sohal**



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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Judith Abesamis, Administrator
Cedar Ridge House
5241 Cedar Ridge Way
Antioch, CA 94509

CEDAR RIDGE HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1811102791
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	\$	357,350	\$ 177.43
Net Audit Adjustment		<u>(42,682)</u>	<u>(21.19)</u>
Audited Cost/Cost Per Day	\$	<u>314,668</u>	\$ <u>156.24</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.

Judith Abesamis
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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:
CEDAR RIDGE HOUSE

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

Provider NPI:
1811102791

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,014	2,014
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,014</u>	<u>2,014</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>357,350</u>	\$ <u>314,668</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>177.43</u>	\$ <u>156.24</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:
CEDAR RIDGE HOUSE

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

Provider NPI:
1811102791

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		\$ 6,331	\$ 0	\$ 6,331
050	Leases and Rentals				0
055	Real Property Taxes		5,120	0	5,120
060	Personal Property Taxes				0
065	Mortgage Interest	2	33,964	(4,319)	29,645
070	Property Insurance	3	21,564	(8,335)	13,229
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 66,979	\$ (12,654)	\$ 54,325
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 9,016	\$ 0	\$ 9,016
085	Utilities		8,144	0	8,144
090	Client Transportation (excluding Adult Day Services)		1,535	0	1,535
095	Dietary		10,025	0	10,025
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 28,720	\$ 0	\$ 28,720
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 95,699	\$ (12,654)	\$ 83,045
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	1	\$ 30,028	\$ (700)	\$ 29,328
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		166,332	0	166,332
140	Aides Fringe Benefits				0
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 196,360	\$ (700)	\$ 195,660

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CEDAR RIDGE HOUSE

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

Provider NPI:
1811102791

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant \$		\$	\$	0
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		5,200	0	5,200
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 5,200	\$ 0	\$ 5,200
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	1, 4	\$ 38,056	\$ (29,328)	\$ 8,728
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		13,546	0	13,546
230	Other General and Administrative*** (Excluding Adult Day Services)		8,489		8,489
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 60,091	\$ (29,328)	\$ 30,763
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 357,350	\$ (42,682)	\$ 314,668
	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)		\$ 357,350	\$ (42,682)	\$ 314,668

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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
CEDAR RIDGE HOUSE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1811102791		4
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>RECLASSIFICATION OF REPORTED COSTS</u>											
1	4.1	115	4	2	115	3	QMRP Salaries	\$30,028	(\$700)	\$29,328	
	4.1	220	4	2	220	3	Administrative Salaries	38,056	700	38,756 *	
To reclassify the QMRP salaries to Administrative salaries in order to meet the one hour per week per client requirement for an administrator. CCR, Title 22, Chapter 4.5 Section 73914											

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments	
CEDAR RIDGE HOUSE				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1811102791		4	
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											
2	4	065	4	2	065	3	Mortgage Interest To adjust reported interest expense to agree with the provider's bank schedule. 42 CFR 413.20, 413.24 and 413.153 CMS Pub. 15-1, Sections 202.2, 2300, and 2304	\$33,964	(\$4,319)	\$29,645	
3	4	070	4	2	070	3	Property Insurance To adjust property insurance expense to agree with the provider's actual expense. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$21,564	(\$8,335)	\$13,229	
4	4.1	220	4	2	220	3	Administrative Salaries To adjust the administrative salary as it was reported twice. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$38,756	(\$30,028)	\$8,728

*Balance carried forward from prior/to subsequent adjustments