

**REPORT
ON THE
RATE SETTING AUDIT**

**CRANE ICF/DD-N
SAN MATEO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1922291665**

**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: Wenli Wei**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Deyra Sunga, Administrator
Crane ICF/DD-N
741 Ada Street
San Mateo, CA 94403

CRANE ICF/DD-N
NATIONAL PROVIDER IDENTIFIER (NPI) 1922291665
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's 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	\$	352,339		\$ 163.20
Net Audit Adjustment		<u>(70,066)</u>		<u>(32.70)</u>
Audited Cost/Cost Per Day	\$	<u>282,273</u>		\$ <u>130.50</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.

Deyra Sunga
Page 2

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:
CRANE ICF/DD-N

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

Provider NPI:
1922291665

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 12)	2,159	0
2. Medi-Cal Managed Care Days (Adj 13)	0	2,163
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,159</u>	<u>2,163</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>352,338</u>	\$ <u>282,273</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>163.20</u>	\$ <u>130.50</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:
CRANE ICF/DD-N

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

Provider NPI:
1922291665

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	5	\$ 10,787	\$ 620	\$ 11,407
050	Leases and Rentals				0
055	Real Property Taxes	2	8,507	(201)	8,306
060	Personal Property Taxes				0
065	Mortgage Interest		24,464	0	24,464
070	Property Insurance		4,193	0	4,193
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 47,951	\$ 419	\$ 48,370
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3,4,8	\$ 32,166	\$ (8,150)	\$ 24,016
085	Utilities	6	10,631	(2,025)	8,606
090	Client Transportation (excluding Adult Day Services)	7	18,315	(18,315)	0
095	Dietary		24,859	0	24,859
100	Personal Care and Laundry		11,404	0	11,404
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 97,374	\$ (28,490)	\$ 68,885
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 145,326	\$ (28,071)	\$ 117,255
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,000	\$ 0	\$ 18,000
120	QMRP Fringe Benefits		3,997	0	3,997
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		37,329	0	37,329
140	Aides Fringe Benefits		8,290	0	8,290
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 67,616	\$ 0	\$ 67,616

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CRANE ICF/DD-N

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

Provider NPI:
1922291665

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,050	\$ 0	\$ 1,050
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		720	0	720
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant	10	78,846	(18,144)	60,702
190	Psychologist Consultant		620	0	620
195	Physician Consultant				0
200	Recreational Consultant		1,088	0	1,088
205	Social Service Consultant				0
210	Other Consultant	9	7,359	(4,270)	3,089
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 89,682	\$ (22,414)	\$ 67,269
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	10	\$ 34,400	\$ (18,200)	\$ 16,200
225	Administrative Fringe Benefits		7,639	0	7,639
226	Quality Assurance Fees (excluding Adult Day Services)				0
230	Other General and Administrative*** (Excluding Adult Day Services)	1,11	7,675	(1,381)	6,294
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 49,714	\$ (19,581)	\$ 30,133
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 352,338	\$ (70,066)	\$ 282,273
	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)		\$ 352,338	\$ (70,066)	\$ 282,273

Page 2 of 2

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
CRANE ICF/DD-N							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1922291665		13
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	4.1	230	4	2	230	3	Other General and Administrative To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$7,675	(\$242)	\$7,433 *
2	4	055	4	2	055	3	Real Property Taxes To eliminate credit card convenience fees paid which were not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	\$8,507	(\$201)	\$8,306
3	4	080	4	2	080	3	Home Operations and Maintenance To adjust housekeeping costs to agree with expenses applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306	\$32,166	(\$1,000)	\$31,166 *
4	4	080	4	2	080	3	Home Operations and Maintenance To eliminate expense for an asset that should have been capitalized. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2, and 2300	* \$31,166	(\$6,200)	\$24,966 *
5	4	045	4	2	045	3	Depreciation and Amortization To include depreciation expense on the asset to be capitalized in conjunction with Adjustment 4. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2, and 2300	\$10,787	\$620	\$11,407
6	4	085	4	2	085	3	Utilities To eliminate cable TV costs located in the clients' rooms. 42 CFR 413.9(c)(3), 413.24, and 413.50 CMS Pub. 15-1, Sections 2106.1 and 2304	\$10,631	(\$2,025)	\$8,606

*Balance carried forward from prior/to subsequent adjustments

Provider Name			Fiscal Period				Provider NPI		Adjustments	
CRANE ICF/DD-N			JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1922291665		13	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
7	4	090	4	2	090	3	Client Transportation To eliminate transportation 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)	\$18,315	(\$18,315)	\$0
8	4	080	4	2	080	3	Home Operations and Maintenance To eliminate expense not related to patient care at the facility being audited as goods/services were delivered to another address. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	* \$24,966	(\$950)	\$24,016
9	4.1	210	4	2	210	3	Other Consultant To eliminate legal and tax preparation costs not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	\$7,359	(\$4,270)	\$3,089
10	4.1	185	4	2	185	3	Nurse Consultant	\$78,846	(\$18,144)	\$60,702
	4.1	220	4	2	220	3	Administrative Salaries To adjust Nurse Consultant and Administrative salaries to reflect the proper allocation of time and costs between this facility and other facilities served by this person. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	34,400	(18,200)	16,200
11	4.1	230	4	2	230	3	Other General and Administrative To eliminate donation, travel, and membership fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	* \$7,433	(\$1,139)	\$6,294

*Balance carried forward from prior/to subsequent adjustments

Provider Name			Fiscal Period				Provider NPI		Adjustments	
CRANE ICF/DD-N			JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1922291665		13	
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 PATIENT DAYS</u>										
12	2	3		1	1	2	Medi-Cal Client Days To adjust reported Medi-Cal Intermediate Care Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through April 15, 2013 Report Date: April 17, 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	2,159	(2,159)	0
13	Not Reported			1	2	2	Medi-Cal Managed Care Days To include Medi-Cal Managed Care client days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	2,163	2,163