

**REPORT
ON THE
RATE SETTING AUDIT**

**CARIDEAN PLACE
LOS ANGELES, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1174731384**

**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: Diem Mi Ly**



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



EDMUND G. BROWN JR.
GOVERNOR

June 12, 2013

Carrie Griffis, Administrator
Caridean Place
1948 Thoreau Street
Los Angeles, CA 90047

PROVIDER: CARIDEAN PLACE
NATIONAL PROVIDER IDENTIFIER (NPI): 1174731384
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	\$	373,099	\$ 189.87
Net Audit Adjustment		(54,764)	(27.87)
Audited Cost/Cost Per Day	\$	<u>318,335</u>	\$ <u>162.00</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.

Carrie Griffis
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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:

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

Carrie Griffis
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cc: Arecio Briones, Consultant
Caridean Place
13349 Ebell Street
Van Nuys, CA 91402

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

Provider:
CARIDEAN PLACE

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

Provider NPI:
1174731384

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,965	1,965
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>1,965</u>	<u>1,965</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>373,099</u>	\$ <u>318,335</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>189.87</u>	\$ <u>162.00</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:
CARIDEAN PLACE

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

Provider NPI:
1174731384

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	7	\$ 1,941	\$ (991)	\$ 950
050	Leases and Rentals		0		0
055	Real Property Taxes		1,407		1,407
060	Personal Property Taxes				0
065	Mortgage Interest	1	17,942	(17,942)	0
070	Property Insurance		1,875		1,875
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 23,165	\$ (18,933)	\$ 4,232
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4	\$ 13,671	\$ (2,594)	\$ 11,077
085	Utilities		6,102		6,102
090	Client Transportation (excluding Adult Day Services)	5	2,875	(1,861)	1,014
095	Dietary		2,291		2,291
100	Personal Care and Laundry	2	14,973	(3,097)	11,876
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 39,912	\$ (7,552)	\$ 32,360
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 63,077	\$ (26,485)	\$ 36,592
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 35,200		\$ 35,200
120	QMRP Fringe Benefits		10,885		10,885
125	Lead Salaries		24,230		24,230
130	Lead Fringe Benefits		7,427		7,427
135	Aides Salaries		62,332		62,332
140	Aides Fringe Benefits		14,026		14,026
145	Other Salaries		3,317		3,317
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 157,417	\$ 0	\$ 157,417

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARIDEAN PLACE

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

Provider NPI:
1174731384

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,170	\$	\$ 1,170
165	Speech Pathology Consultant		1,137		1,137
170	Physical Therapy Consultant		2,435		2,435
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		225		225
185	Nurse Consultant		64,561		64,561
190	Psychologist Consultant				0
195	Physician Consultant		185		185
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 69,713	\$ 0	\$ 69,713
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	6	\$ 38,550	\$ (15,426)	\$ 23,124
225	Administrative Fringe Benefits	6	4,324	(1,714)	2,610
226	Quality Assurance Fees (excluding Adult Day Services)		16,869		16,869
230	Other General and Administrative*** (Excluding Adult Day Services)	3	23,149	(11,139)	12,010
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 82,892	\$ (28,279)	\$ 54,613
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 373,099	\$ (54,764)	\$ 318,335
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		146,595		146,595
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 519,694	\$ (54,764)	\$ 464,930

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
CARIDEAN PLACE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1174731384		7
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	\$17,942	(\$17,942)	\$0
2	4	100	4	2	100	3	Personal Care and Laundry To adjust the reported personal care and laundry expenses to agree with the invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$14,973	(\$3,097)	\$11,876
3	4.1	230	4	2	230	3	Other General and Administrative To adjust the reported other general and administrative expenses to agree with the supporting documents 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$23,149	(\$11,139)	\$12,010
4	4	080	4	2	080	3	Home Operations and Maintenance To adjust the reported home operations and maintenance expenses to agree with the invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$13,671	(\$2,594)	\$11,077
5	4	090	4	2	090	3	Client Transportation To adjust the reported client transportation expense to agree with provider's documents. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$2,875	(\$1,861)	\$1,014

Provider Name							Fiscal Period		Provider NPI		Adjustments
CARIDEAN PLACE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1174731384		7
Report References											
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
ADJUSTMENTS TO REPORTED COSTS											
6	4.1	220	4	2	220	3	Administrative Salaries	\$38,550	(\$15,426)	\$23,124	
	4.1	225	4	2	225	3	Administrative Fringe Benefits	4,324	(1,714)	2,610	
							To adjust administrator's compensation based on federal guide line. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
7	4	045	4	2	045	3	Depreciation and Amortization	\$1,941	(\$991)	\$950	
							To adjust depreciation expense to agree with the provider's detailed depreciation schedules. 42 CFR 413.20, 413.24, 413.50 and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302, and 2304				