

**REPORT  
ON THE  
RATE SETTING AUDIT**

**C & C QUALITY CARE HOMES II  
INGLEWOOD, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1902025901**

**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: Wei Wang**



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



EDMUND G. BROWN JR.  
GOVERNOR

June 27, 2013

Hortense G Crawford, Administrator  
C & C Quality Care Homes II  
3425 West 82<sup>nd</sup> Place  
Inglewood, CA 90305

C & C QUALITY CARE HOMES II  
NATIONAL PROVIDER IDENTIFIER (NPI): 1902025901  
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	\$	330,556	\$ 154.47
Net Audit Adjustment		(11,113)	(3.79)
Audited Cost/Cost Per Day	\$	<u>319,443</u>	\$ <u>150.68</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.

Hortense G Crawford  
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:

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  
Enclosures

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

**Provider:**

C &amp; C QUALITY CARE HOMES II

**Fiscal Period:**

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

**Provider NPI:**

1902025901

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj 16)	2,140	2,120
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,140</u>	<u>2,120</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>330,556</u>	\$ <u>319,443</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>154.47</u>	\$ <u>150.68</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:  
C & C QUALITY CARE HOMES II

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

Provider NPI:  
1902025901

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 0	\$	\$ 0
050	Leases and Rentals	2	3,938	(629)	3,309
055	Real Property Taxes		4,142		4,142
060	Personal Property Taxes		0		0
065	Mortgage Interest		6,071		6,071
070	Property Insurance		874		874
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,025	\$ (629)	\$ 14,396
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	3	\$ 7,857	\$ (2,529)	\$ 5,328
085	Utilities	1,5	8,522	(2,162)	6,360
090	Client Transportation (excluding Adult Day Services)		2,732		2,732
095	Dietary	6	11,536	(1,715)	9,821
100	Personal Care and Laundry	7	282	227	509
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 30,929	\$ (6,179)	\$ 24,750
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 45,954	\$ (6,808)	\$ 39,146
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 47,633	\$	\$ 47,633
120	QMRP Fringe Benefits	8	1,170	(420)	750
125	Lead Salaries		37,440		37,440
130	Lead Fringe Benefits	9	7,354	(420)	6,934
135	Aides Salaries		96,629		96,629
140	Aides Fringe Benefits	10	19,535	(2,194)	17,341
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 209,761	\$ (3,034)	\$ 206,727

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
C & C QUALITY CARE HOMES II

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

Provider NPI:  
1902025901

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 700	\$	\$ 700
165	Speech Pathology Consultant	11	353	1,117	1,470
170	Physical Therapy Consultant		881		881
175	Occupational Therapy Consultant	12	959	(309)	650
180	Pharmacist Consultant	13	300	(75)	225
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 3,193	\$ 733	\$ 3,926
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 42,500	\$	\$ 42,500
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)	14	20,640	(5,920)	14,720
230	Other General and Administrative*** (Excluding Adult Day Services)	1,4,15	8,508	3,916	12,424
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 71,648	\$ (2,004)	\$ 69,644
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 330,556	\$ (11,113)	\$ 319,443
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		188,470		188,470
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 519,026	\$ (11,113)	\$ 507,913

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

\*\*\* List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
C & C QUALITY CARE HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1902025901		16
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<u>RECLASSIFICATION OF REPORTED COSTS</u>										
1	4	085	4	2	085	3	Utilities	\$8,522	(\$5,034)	\$3,488 *
	4.1	230	4	2	230	3	Other General and Administrative To reclassify cell phone expense to the appropriate cost center for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.6	8,508	5,034	13,542 *

\*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments
C & C QUALITY CARE HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1902025901		16
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.				
<b>ADJUSTMENTS TO REPORTED COSTS</b>										
2	4	050	4	2	050	3	Leases and Rentals To adjust lease and rental expenses to agree with the provider's lease and rental invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$3,938	(\$629)	\$3,309
3	4	080	4	2	080	3	Home Operations and Maintenance To adjust the reported home operation and maintenance expenses to agree with the audited home operations and maintenance invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$7,857	(\$2,529)	\$5,328
4	4.1	230	4	2	230	3	Other General and Administrative To eliminate personal cell phone 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)	* \$13,542	(\$5,034)	\$8,508 *
5	4	085	4	2	085	3	Utilities To adjust utility expenses to agree with the provider's utility bills. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$3,488	\$2,872	\$6,360
6	4	095	4	2	095	3	Dietary To adjust the reported dietary expense to agree with the audited dietary receipts and payment checks. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$11,536	(\$1,715)	\$9,821

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
C & C QUALITY CARE HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1902025901		16
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.				
<b>ADJUSTMENTS TO REPORTED COSTS</b>										
7	4	100	4	2	100	3	Personal Care and Laundry To adjust personal care and laundry expenses to agree with provider's receipts. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$282	\$227	\$509
8	4.1	120	4	2	120	3	QMRP Fringe Benefits To adjust QMRP salary expense to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,170	(\$420)	\$750
9	4.1	130	4	2	130	3	Lead Fringe Benefits To adjust lead benefits expense to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$7,354	(\$420)	\$6,934
10	4.1	140	4	2	140	3	Aides Fringe Benefits To adjust aides benefits expense to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$19,535	(\$2,194)	\$17,341
11	4.1	165	4	2	165	3	Speech Pathology Consultant To adjust speech pathology consultant expenses to agree with the provider's speech pathology consultant invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$353	\$1,117	\$1,470

Provider Name							Fiscal Period	Provider NPI		Adjustments
C & C QUALITY CARE HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1902025901		16
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.				
<b>ADJUSTMENTS TO REPORTED COSTS</b>										
12	4.1	175	4	2	175	3	Occupational Therapy Consultant To adjust occupational therapy consultant expenses to agree with the provider's occupational therapy consultant invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$959	(\$309)	\$650
13	4.1	180	4	2	180	3	Pharmacist Consultant To adjust pharmacist consultant expenses to agree with the provider's pharmacist consultant invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$300	(\$75)	\$225
14	4.1	226	4	2	226	3	Quality Assurance Fees To adjust Quality Assurance expenses to agree with provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$20,640	(\$5,920)	\$14,720
15	4.1	230	4	2	230	3	Other General and Administrative To reconcile the reported other general and administrative expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$8,508	\$3,916	\$12,424

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
C & C QUALITY CARE HOMES II							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1902025901		16
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
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>											
16	2	3	4	1	1	N/A	Medi-Cal Patient Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 01, 2011 through December 31, 2011 Payment Period: January 01, 2011 through February 28, 2013 Report Date: April 04, 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		2,140	(20)	2,120