

**REPORT
ON THE
RATE SETTING AUDIT**

**VIA LARGA PLACE
LAGUNA NIGUEL, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1689714214**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Lynsey Ly**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: December 18, 2012

Terry Ward, CFO
C.L.O. Inc.
24761 Via Larga
Laguna Niguel, CA 92677

VIA LARGA PLACE
NATIONAL PROVIDER IDENTIFIER (NPI) 1689714214
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	\$	484,898	\$ 222.94
Net Audit Adjustment		(9,546)	(4.39)
Audited Cost/Cost Per Day	\$	<u>475,352</u>	\$ <u>218.55</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Terry Ward
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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—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
VIA LARGA PLACE

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

Provider NPI:
1689714214

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 6)	2,154	0
2. Medi-Cal Managed Care Days (Adj 6)	0	2,175
3. Other Client Days (Adj 6)	21	0
4. Total Client Days	<u>2,175</u>	<u>2,175</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>484,898</u>	\$ <u>475,352</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>222.94</u>	\$ <u>218.55</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>	\$ <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:
VIA LARGA PLACE

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

Provider NPI:
1689714214

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		\$ 8,762	\$	\$ 8,762
050	Leases and Rentals		0		0
055	Real Property Taxes		3,551		3,551
060	Personal Property Taxes		0		0
065	Mortgage Interest		9,790		9,790
070	Property Insurance		2,522		2,522
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,625	\$ 0	\$ 24,625
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 16,254	\$	\$ 16,254
085	Utilities		10,268		10,268
090	Client Transportation (excluding Adult Day Services)		800		800
095	Dietary		32,309		32,309
100	Personal Care and Laundry	1	11,892	(1,625)	10,267
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 71,523	\$ (1,625)	\$ 69,898
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 96,148	\$ (1,625)	\$ 94,523
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,199	\$	\$ 17,199
120	QMRP Fringe Benefits		1,131		1,131
125	Lead Salaries		0		0
130	Lead Fringe Benefits		0		0
135	Aides Salaries		99,820		99,820
140	Aides Fringe Benefits		41,559		41,559
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 159,709	\$ 0	\$ 159,709

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
VIA LARGA PLACE

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

Provider NPI:
1689714214

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,908	\$	\$ 1,908
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant	2	800	(63)	737
175	Occupational Therapy Consultant		880		880
180	Pharmacist Consultant	3	260	(130)	130
185	Nurse Consultant		14,400		14,400
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		3,450		3,450
205	Social Service Consultant		0		0
210	Other Consultant	4	67,095	(7,180)	59,915
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 88,793	\$ (7,373)	\$ 81,420
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		22,600		22,600
230	Other General and Administrative*** (Excluding Adult Day Services)	5	117,648	(548)	117,100
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 140,248	\$ (548)	\$ 139,700
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 484,898	\$ (9,546)	\$ 475,352
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 585	\$	\$ 585
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 485,483	\$ (9,546)	\$ 475,937

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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		
VIA LARGA PLACE		JANUARY 01, 2011 THROUGH DECEMBER 31, 2011				1689714214		6		
Adj. No.	Report References			Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
	MC530 Page or Exhibit	Line	Col.							Sch.
1	4	100	4	2	100	3	Personal Care and Laundry To eliminate phlebotomy expense not included in the routine rate. CMS Pub. 15-1, Section 2104.4 CCR, Title 22, 51510.3	\$11,892	(\$1,625)	\$10,267
2	4.1	170	4	2	170	3	Physical Therapy Consultant To eliminate physical therapy consultant expense not related to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$800	(\$63)	\$737
3	4.1	180	4	2	180	3	Pharmacist Consultant To eliminate pharmacy consultant expense not related to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$260	(\$130)	\$130
4	4.1	210	4	2	210	3	Other Consultant To eliminate licensed vocational nurse's rent expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 1000, 2102.1, 2102.3, 2103, 2105.8, 2144.3 and 2304	\$67,095	(\$7,180)	\$59,915
5	4.1	230	4	2	230	3	Other General and Administrative To offset the health insurance premium paid by employees. CFR 413.24 / CMS Pub. 15-1, Sections 2102.1, 2300, and 2304	\$117,648	(\$548)	\$117,100

Provider Name		Fiscal Period				Provider NPI		Adjustments		
VIA LARGA PLACE		JANUARY 01, 2011 THROUGH DECEMBER 31, 2011				1689714214		6		
Adj. No.	MC530 Page or Exhibit	Report References			Audit Report			As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.	Line	Sub No				
6	2	3	N/A	1	1	N/A	2,154	(2,154)	0	
	2	3	N/A	1	3	N/A	21	(21)	0	
	Not Reported			1	2	N/A	0	2,175	2,175	

ADJUSTMENT TO REPORTED PATIENT DAYS

Medi-Cal Client Days
 Other Client Days
 Medi-Cal Managed Care Days
 To properly report Medi-Cal Managed Care days.
 42 CFR 413.20, 413.24 and 413.50
 CMS Pub. 15-1, Sections 2205, 2205.4 and 2304