

**REPORT
ON THE
RATE SETTING AUDIT**

**GOLDEN CARE HOME
GARDENA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1598973703**

**FISCAL PERIOD ENDED
APRIL 30, 2012**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Nicholas Lui**



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



EDMUND G. BROWN JR.
GOVERNOR

June 25, 2013

Rosa Guerrero, Administrator
Golden Care Home
16021 South Orchard Avenue
Gardena, 90247

GOLDEN CARE HOME
NATIONAL PROVIDER IDENTIFIER: 1598973703
FISCAL PERIOD ENDED: APRIL 30, 2012

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	\$	338,522	\$ 156.14
Net Audit Adjustment		(131,340)	(60.88)
Audited Cost/Cost Per Day	\$	<u>207,182</u>	\$ <u>95.26</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.

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

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

Provider:
GOLDEN CARE HOME

Fiscal Period:
MAY 1, 2011 THROUGH APRIL 30, 2012

Provider NPI:
1598973703

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 17)	2,168	2,167
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj 16)	0	8
4. Total Client Days	<u>2,168</u>	<u>2,175</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>338,522</u>	\$ <u>207,182</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>156.14</u>	\$ <u>95.26</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>	\$ <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:
GOLDEN CARE HOME

Fiscal Period:
MAY 1, 2011 THROUGH APRIL 30, 2012

Provider NPI:
1598973703

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	\$ 10,852	\$ (10,852)	\$ 0
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest	7	3,306	(3,306)	0
070	Property Insurance	8	1,137	(1,137)	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,295	\$ (15,295)	\$ 0
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1, 9	\$ 34,129	(30,591)	\$ 3,538
085	Utilities		3,771		3,771
090	Client Transportation (excluding Adult Day Services)	10	1,342	(1,342)	0
095	Dietary	11	18,773	(873)	17,900
100	Personal Care and Laundry		230		230
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 58,245	\$ (32,806)	\$ 25,439
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 73,540	\$ (48,101)	\$ 25,439
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	4	\$ 18,760	(1,410)	\$ 17,350
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries	15	100,454	(1,097)	99,357
140	Aides Fringe Benefits	15	8,834	(8,834)	0
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 128,048	\$ (11,341)	\$ 116,707

The provider inaccurately reported \$58,063 in line 075 in the cost report, which affects the total costs after line 235.

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GOLDEN CARE HOME

Fiscal Period:
MAY 1, 2011 THROUGH APRIL 30, 2012

Provider NPI:
1598973703

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	2	\$ 0	\$ 360	\$ 360
165	Speech Pathology Consultant		1,362		1,362
170	Physical Therapy Consultant		822		822
175	Occupational Therapy Consultant	3	480	(60)	420
180	Pharmacist Consultant		390		390
185	Nurse Consultant				0
190	Psychologist Consultant		720		720
195	Physician Consultant				0
200	Recreational Consultant	5	1,375	(110)	1,265
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 5,149	\$ 190	\$ 5,339
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	14	\$ 91,234	(60,630)	\$ 30,604
225	Administrative Fringe Benefits	14	9,941	(9,941)	0
226	Quality Assurance Fees (excluding Adult Day Services)		18,029		18,029
230	Other General and Administrative*** (Excluding Adult Day Services)	12, 13	12,581	(1,517)	11,064
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 131,785	\$ (72,088)	\$ 59,697
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 338,522	\$ (131,340)	\$ 207,182
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		70,718		70,718
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 409,240	\$ (131,340)	\$ 277,900

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period		Provider NPI		Adjustments
GOLDEN CARE HOME							MAY 1, 2011 THROUGH APRIL 30, 2012		1598973703		17
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											
1	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operation costs 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)		\$34,129	(\$1,060)	\$33,069 *
2	4.1	160	4	2	160	3	Dietician Consultant To adjust the reported dietary consultant expense to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$0	\$360	\$360
3	4.1	175	4	2	175	3	Occupational Therapy Consultant To adjust occupational consultant expense 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		\$480	(\$60)	\$420
4	4.1	115	4	2	115	3	QMRP Salaries To adjust the reported QMRP consultant expense to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$18,760	(\$1,410)	\$17,350
5	4.1	200	4	2	200	3	Recreational Consultant To adjust recreational consultant expense 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		\$1,375	(\$110)	\$1,265

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments
GOLDEN CARE HOME							MAY 1, 2011 THROUGH APRIL 30, 2012	1598973703		17
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										
6	4	045	4	2	045	3	Depreciation and Amortization To eliminate depreciation costs 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)	\$10,852	(\$10,852)	\$0
7	4	065	4	2	065	3	Mortgage Interest To eliminate mortgage interest costs 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)	\$3,306	(\$3,306)	\$0
8	4	070	4	2	070	3	Property Insurance To eliminate property insurance costs 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).	\$1,137	(\$1,137)	\$0
9	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home operation costs due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$33,069	(\$29,531)	\$3,538
10	4	090	4	2	090	3	Client Transportation To eliminate transpiration costs due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,342	(\$1,342)	\$0

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
GOLDEN CARE HOME							MAY 1, 2011 THROUGH APRIL 30, 2012	1598973703		17
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										
11	4	095	4	2	095	3	Dietary To adjust dietary costs 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)	\$18,773	(\$873)	\$17,900
12	4.1	230	4	2	230	3	Other General and Administrative To adjust administration expenses to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$12,581	(\$270)	\$12,311 *
13	4.1	230	4	2	230	3	Other General and Administrative To adjust administration expenses to agree the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$12,311	(\$1,247)	\$11,064
14	4.1	220	4	2	220	3	Administrative Salaries	\$91,234	(\$60,630)	\$30,604
	4.1	225	4	2	225	3	Administrative Fringe Benefits To eliminate administration salaries and benefits due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	9,941	(9,941)	0
15	4.1	135	4	2	135	3	Aides Salaries	\$100,454	(\$1,097)	\$99,357
	4.1	140	4	2	140	3	Aides Fringe Benefits To eliminate aides salaries and benefits due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	8,834	(8,834)	0

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
GOLDEN CARE HOME							MAY 1, 2011 THROUGH APRIL 30, 2012		1598973703		17
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	3	1	3	2	Other Client Days To adjust other client days to agree with provider's records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Section 2205, 2300 and 2304	0	8	8	

Provider Name							Fiscal Period	Provider NPI		Adjustments
GOLDEN CARE HOME							MAY 1, 2011 THROUGH APRIL 30, 2012	1598973703		17
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				
ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA										
17	2	3	1	1	1	2	Total Medi-Cal Days To adjust reported Medi-Cal days based on the following Fiscal Intermediary Payment Data: Service Period: May 1, 2011 through April 30, 2012 Payment Period: May 1, 2011 through May 1, 2013 Report Date: May 14, 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	2,168	(1)	2,167