

**REPORT
ON THE
RATE SETTING AUDIT**

**ARLINGTON HOME IV
LONG BEACH, CALIFORNIA
PROVIDER NUMBER: LTC60542F
NATIONAL PROVIDER IDENTIFIER: 1629235114**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Maria Delgado
Audit Supervisor: Cyrus Lam
Auditor: Zhan Huang**



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



EDMUND G. BROWN JR.
GOVERNOR

December 8, 2011

Pritam Matharu, Administrator
Arlington Home IV
2209 Arlington Avenue
Torrance, CA 90501

ARLINGTON HOME IV
PROVIDER NUMBER: LTC60542F
NATIONAL PROVIDER IDENTIFIER: 1629235114
FISCAL PERIOD ENDED: DECEMBER 31, 2010

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	\$	342,405	\$ 156.35
Net Audit Adjustment		(31)	(0.01)
Audited Cost/Cost Per Day	\$	<u>342,374</u>	\$ <u>156.34</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 Rate Development Branch.

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.

Pritam Matharu
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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:
ARLINGTON HOME IV

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1629235114

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	2,190	2,183
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj 6)		7
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>342,405</u>	\$ <u>342,374</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>156.35</u>	\$ <u>156.34</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)	\$ _____	\$ 0
2. Credit Balances (Adj)	\$ _____	\$ 0
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ARLINGTON HOME IV

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1629235114

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	1	\$ 3,109	\$ 459	\$ 3,568
050	Leases and Rentals		0		0
055	Real Property Taxes		2,247		2,247
060	Personal Property Taxes				0
065	Mortgage Interest		2,055		2,055
070	Property Insurance		411		411
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 7,822	\$ 459	\$ 8,281
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 14,757	\$ (510)	\$ 14,247
085	Utilities	3	6,721	(167)	6,554
090	Client Transportation (excluding Adult Day Services)		4,604		4,604
095	Dietary		14,374		14,374
100	Personal Care and Laundry		6,889		6,889
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 47,345	\$ (677)	\$ 46,668
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 55,167	\$ (218)	\$ 54,949
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 0	\$	\$ 0
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		30,622		30,622
130	Lead Fringe Benefits		3,922		3,922
135	Aides Salaries		112,840		112,840
140	Aides Fringe Benefits	4	15,246	98	15,344
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 162,630	\$ 98	\$ 162,728

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ARLINGTON HOME IV

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1629235114

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 365	\$	\$ 365
165	Speech Pathology Consultant		1,365		1,365
170	Physical Therapy Consultant		2,640		2,640
175	Occupational Therapy Consultant		315		315
180	Pharmacist Consultant		0		0
185	Nurse Consultant		11,163		11,163
190	Psychologist Consultant		1,719		1,719
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		20,072		20,072
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 37,639	\$ 0	\$ 37,639
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		16,977		16,977
230	Other General and Administrative*** (Excluding Adult Day Services)	5	69,992	89	70,081
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 86,969	\$ 89	\$ 87,058
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 342,405	\$ (31)	\$ 342,374
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
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)		\$ 342,405	\$ (31)	\$ 342,374

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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	
ARLINGTON HOME IV		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010				1629235114		7	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Line	Col.				
1	4	45	4	2	45	3	3	3,568	
		Depreciation and Amortization To adjust depreciation and amortization expenses based on the provider's depreciation schedule and prior audit workpaper. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304							
2	4	80	4	2	80	3	3	14,247	
		Home Operations and Maintenance To adjust home operations and maintenance expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304							
3	4	85	4	2	85	3	3	6,554	
		Utilities To adjust utilities expenses to agree with provider's invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304							
4	4.1	140	4	2	140	3	3	15,344	
		Aides Benefits To adjust aides benefits to agree with the provider's workers' compensation policy. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304							
5	4.1	230	4	2	230	3	3	70,081	
		Other General and Administrative To adjust other general and administrative expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304							

Provider Name		Fiscal Period		Provider NPI		Adjustments					
ARLINGTON HOME IV		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1629235114		7					
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report								
6	2	3	3	1	1	3	2	2	0	7	7
<p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Other Client Days To adjust other patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304</p>											

Provider Name		Fiscal Period		Provider NPI		Adjustments					
ARLINGTON HOME IV		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1629235114		7					
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report								
7	2	3	1	1	1	2	2,190	(7)	2,183		
<p>ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA</p> <p>Medi-Cal Days</p> <p>To adjust reported Medi-Cal days to agree with the following ACS Paid Claim Summary:</p> <p>Service Period: January 1, 2010 through December 31, 2010 Payment Period: January 1, 2010 through October 31, 2011 Report Date: November 9, 2011</p> <p>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</p>											