

**REPORT  
ON THE  
RATE SETTING AUDIT**

**ELM ICF  
LODI, CALIFORNIA  
PROVIDER NUMBER: 1104976794**

**FISCAL PERIOD ENDED  
JUNE 30, 2010**

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

**Section Chief: Steven Gary  
Audit Supervisor: Jeff Sandman  
Auditor: Mandeep Kaur**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

December 6, 2011  
Elena Gabriel, Administrator  
Gabriel Care Homes, Inc.  
2155 W Elm Street  
Lodi, CA 95242

PROVIDER: ELM ICF  
PROVIDER NUMBER 1104976794  
FISCAL PERIOD ENDED JUNE 30, 2010

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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, patient days, and use of share of cost 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	\$	449,635	\$ 214.32
Net Audit Adjustment		<u>(165,774)</u>	<u>(79.02)</u>
Audited Cost/Cost Per Day	\$	<u>283,861</u>	\$ <u>135.30</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2m ,
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.

Elena Gabriel  
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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:

John Melton, 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—Sacramento at (916) 650-6994.

**Original Signed By**

Steven Gary, Chief  
Audits Section—Sacramento  
Financial Audits Branch

Certified

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

**Provider:**  
ELM ICF

**Fiscal Period:**  
JULY 1, 2009 THROUGH JUNE 30, 2010

**Provider NPI:**  
1104976794

**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 )	2,098	2,098
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )		0
4. Total Client Days	<u>2,098</u>	<u>2,098</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>449,635</u>	\$ <u>283,861</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>214.32</u>	\$ <u>135.30</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:  
ELM ICF

Fiscal Period:  
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:  
1104976794

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	1,2	\$ 0	\$ 0	\$ 0
050	Leases and Rentals	3	54,000	(54,000)	0
055	Real Property Taxes		1,818		1,818
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		2,819		2,819
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 58,637	\$ (54,000)	\$ 4,637
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	4	\$ 23,711	\$ (12,791)	\$ 10,920
085	Utilities	5	11,855	(780)	11,075
090	Client Transportation (excluding Adult Day Services)	2	6,431	(6,431)	0
095	Dietary		9,482		9,482
100	Personal Care and Laundry		430		430
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 51,909	\$ (20,002)	\$ 31,907
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 110,546	\$ (74,002)	\$ 36,544
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 26,600	\$	\$ 26,600
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		102,257		102,257
140	Aides Fringe Benefits		14,834		14,834
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 143,691	\$ 0	\$ 143,691

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
ELM ICF

Fiscal Period:  
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:  
1104976794

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		\$ 1,300	\$	\$ 1,300
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		720		720
185	Nurse Consultant	1	69,422	(5,515)	63,907
190	Psychologist Consultant		263		263
195	Physician Consultant		1,990		1,990
200	Recreational Consultant		1,306		1,306
205	Social Service Consultant				0
210	Other Consultant		300		300
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 75,301	\$ (5,515)	\$ 69,786
<b>EXPENSES: ADMINISTRATIVE COSTS</b>					
220	Administrative Salaries **	2	\$ 49,323	\$ (49,323)	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		18,813		18,813
230	Other General and Administrative*** (Excluding Adult Day Services)	2,6	51,961	(36,934)	15,027
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 120,097	\$ (36,934)	\$ 83,163
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 449,635	\$ (116,451)	\$ 333,184
			(To Sch. 1)		(To Sch. 1)
<b>NON-CLIENT CARE EXPENSES</b>					
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)		\$ 449,635	\$ (116,451)	\$ 333,184

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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 Number		Adjustments		
ELM ICF		JULY 1, 2009 THROUGH JUNE 30, 2010		1104976794		6		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
1	4	45	4	2	45.00	\$0	\$5,515	\$5,515 *
	4.1	185	4	2	185.00	69,422	(5,515)	63,907
<p style="text-align: center;"><b><u>RECLASSIFICATION OF REPORTED COSTS</u></b></p> <p style="text-align: center;">Depreciation and Amortization Nurse Consultant</p> <p style="text-align: center;">To reclassify the reported depreciation expense to agree with the provider's records. 42 CFR 413.20, 413.24 and 413.134 CMS Pub. 15-1, Sections 102 and 2304</p>								

\*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments					
ELM ICF		JULY 1, 2009 THROUGH JUNE 30, 2010		1104976794		6					
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report								
<b>ADJUSTMENTS TO REPORTED COSTS</b>											
2	4	45	4	2	45.00	45.00	2	Depreciation and Amortization	\$5,515	(\$5,515)	\$0
	4	90	4	2	90.00	90.00	2	Client Transportation	6,431	(6,431)	0
	4.1	220	4	2	220.00	220.00	2	Administrative Salaries	49,323	(49,323)	0
	4.1	230	4	2	230.00	230.00	2	Other General and Administrative	51,961	(34,414)	17,547 *
To adjust reported home office costs to agree with the Gabriel Care Homes, Inc., Home Office Audit Report for fiscal period ended June 30, 2010. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304											
3	4	50	4	2	50.00	50.00	2	Leases and Rentals	\$54,000	(\$54,000)	\$0
To eliminate lease expenses from a related organization. 42 CFR 413.17, 413.134(h), and 413.24 CMS Pub. 15-1, Sections 1500, 1011.5, and 2304											
4	4	80	4	2	80.00	80.00	2	Home Operations and Maintenance	\$23,711	(\$12,791)	\$10,920
To eliminate home operations expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304											
5	4	85	4	2	85.00	85.00	2	Utilities	\$11,855	(\$780)	\$11,075
To eliminate utilities expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304											
6	4.1	230	4	2	230.00	230.00	2	Other General and Administrative	\$17,547	(\$2,520)	\$15,027
To eliminate other general and administrative expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304											

\*Balance carried forward from prior/to subsequent adjustments