

**REPORT  
ON THE  
RATE SETTING AUDIT**

**CRESTWOOD HOUSE  
FREMONT, CALIFORNIA  
PROVIDER NUMBER: LTC60284F AND  
NPI NUMBER: 1356487532**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2007**

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

**Section Chief: Louise Wong  
Audit Supervisor: George Kaczmarek  
Auditor: Jun Yan**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

January 29, 2009

Ann C. Stafford, CPA  
Chief Financial Officer  
Serra Residential Center  
1405 Hathman Place  
Columbia, MO 65201

PROVIDER: CRESTWOOD HOUSE  
PROVIDER NO. LTC60284F AND NPI NO. 1356487532  
FISCAL PERIOD ENDED DECEMBER 31, 2007

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	\$	393,868	\$ 197.72
Net Audit Adjustment		(6,082)	(3.05)
Audited Cost/Cost Per Day	\$	<u>387,786</u>	\$ <u>194.67</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
2. Audit Adjustments that include a summary of the total due the State in the amount of \$2,339 which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

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  
Office of Administrative Appeals and Hearings  
1029 J Street, Suite 200  
Sacramento, CA 95814-2825  
(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  
P.O. Box 997413  
Sacramento, CA 95899-7413

**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 95814-5005  
(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.

Ann C. Stafford  
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If you have questions regarding this report, you may call the Audits Section—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section—Richmond  
Financial Audits Branch

Certified

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

**Provider:**  
CRESTWOOD HOUSE

**Fiscal Period:**  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

**Provider Number:**  
LTC60284F

**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 )	1,992	1,992
2. Other Client Days (Adj )		0
3. Total Client Days	<u>1,992</u>	<u>1,992</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>393,868</u>	\$ <u>387,786</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>197.72</u>	\$ <u>194.67</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
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**OVERPAYMENTS**

1. Medi-Cal Overpayments (Adj 2)	\$ <u>0</u>	\$ <u>2,339</u>
2. Credit Balances (Adj )	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>2,339</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CRESTWOOD HOUSE

Fiscal Period:  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:  
LTC60284F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	1	\$ 20,562	\$ (6,082)	\$ 14,480
050	Leases and Rentals		0		0
055	Real Property Taxes		328	0	328
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		14,483	0	14,483
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 35,373	\$ (6,082)	\$ 29,291
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 8,419	\$ 0	\$ 8,419
085	Utilities		4,401	0	4,401
090	Client Transportation		12,512	0	12,512
095	Dietary		9,893	0	9,893
100	Personal Care and Laundry		2,424	0	2,424
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,649	\$ 0	\$ 37,649
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 73,022	\$ (6,082)	\$ 66,940
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 17,265	\$ 0	\$ 17,265
120	QMRP Fringe Benefits		4,872	0	4,872
125	Lead Salaries		25,660	0	25,660
130	Lead Fringe Benefits		7,241	0	7,241
135	Aides Salaries		106,998	0	106,998
140	Aides Fringe Benefits		30,195	0	30,195
145	Other Salaries		17,654	0	17,654
150	Other Fringe Benefits		4,982	0	4,982
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 214,867	\$ 0	\$ 214,867

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CRESTWOOD HOUSE

Fiscal Period:  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:  
LTC60284F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,050	\$ 0	\$ 1,050
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		480	0	480
185	Nurse Consultant		0		0
190	Psychologist Consultant		829	0	829
195	Physician Consultant		4,500	0	4,500
200	Recreational Consultant		900	0	900
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,759	\$ 0	\$ 7,759
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		17,101	0	17,101
230	Other Administrative and General		81,119	0	81,119
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 98,220	\$ 0	\$ 98,220
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 393,868	\$ (6,082)	\$ 387,786
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 393,868	\$ (6,082)	\$ 387,786

## SUMMARY OF AUDITED LABOR REPORT

Provider:  
CRESTWOOD HOUSE

Fiscal Period:  
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:  
LTC60284F

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	Average Hourly Wage (Col 2 / Col 3)
	<b>DIRECT CARE STAFF</b>				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 4,872	\$ 17,265	986	\$ 17.51
2	Lead	7,241	25,660	2,415	10.63
3	Aides	30,195	106,998	10,587	10.11
4	Other	4,982	17,654	817	21.61
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 47,290	\$ 167,577	14,805	
	<b>CONSULTANT STAFF</b>				
6	Dietician	\$	\$ 1,050	21	\$ 50.00
7	Speech Pathology				0.00
8	Physical Therapy				0.00
9	Occupational Therapy				0.00
10	Pharmacist		480	5	96.00
11	Nurse				0.00
12	Psychologist		829	13	63.77
13	Physician		4,500	45	100.00
14	Recreational		900	12	75.00
15	Social Service				0.00
16	Other				0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 7,759	96	
	<b>ADMINISTRATIVE STAFF</b>				
18	Administrative Staff	\$	\$		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 47,290	\$ 175,336	14,901	

Provider Name		Fiscal Period		Provider Number		Adjustments	
CRESTWOOD HOUSE		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60284F		2	
Adj. No.	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report					
1	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line		
4 of 6	045	4	2	045	045	\$20,562	(\$6,082) \$14,480
<p>Depreciation and Amortization                      To adjust for a change in useful life to agree with the American Hospital Association Guidelines.                      CMS Pub. 15-1, Sections 104.17 and 104.18</p>							
<b>ADJUSTMENT TO REPORTED COSTS</b>							



Provider Name		Fiscal Period		Provider Number		Adjustments					
CRESTWOOD HOUSE		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60284F		2					
Adj. No.	Report References			Line	Sch	Col.	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report									
	DHS 3076										
	Page or Exhibit										

Provider Name		Fiscal Period		Provider Number		Adjustments					
CRESTWOOD HOUSE		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60284F		2					
Adj. No.	Report References			Line	Sch	Col.	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report									
	DHS 3076										
	Page or Exhibit										