

**REPORT ON THE
RATE SETTING AUDIT**

**CARING CONCERN RESIDENTIAL HOMES, INC.
KOALA WAY
VENTURA, CALIFORNIA
PROVIDER NUMBER: LTC60792H
NATIONAL PROVIDER IDENTIFIER: 1851587224**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Minh Nguyen**



DAVID MAXWELL - JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 2, 2010

Anda Rebensal, Administrator
Caring Concern Residential Homes, Inc. – Koala Way
2116 Koala Way
Ventura, CA 93004

PROVIDER: CARING CONCERN RESIDENTIAL HOMES, INC. – KOALA WAY
PROVIDER NO.: LTC60792H
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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	\$	484,427	\$ 221.20
Net Audit Adjustment		<u>(73,683)</u>	<u>(33.65)</u>
Audited Cost/Cost Per Day	\$	<u>410,744</u>	\$ <u>187.55</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustment 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
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
PO 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.

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
Enclosure

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

Provider:
CARING CONCERN RESIDENTIAL HOMES INC. KOALA WAY

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60792H

Provider NPI:
1851587224

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>484,427</u>	\$ <u>410,744</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>221.20</u>	\$ <u>187.55</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARING CONCERN RESIDENTIAL HOMES INC. KOALA WAY

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60792H

Provider NPI:
1851587224

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$	\$	\$ 0
050	Leases and Rentals	7	76,800	(76,800)	0
055	Real Property Taxes	8	0	4,365	4,365
060	Personal Property Taxes				0
065	Mortgage Interest		0		0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 76,800	\$ (72,435)	\$ 4,365
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1 & 6	\$ 23,324	\$ 13	\$ 23,337
085	Utilities		6,896		6,896
090	Client Transportation				0
095	Dietary		10,554		10,554
100	Personal Care and Laundry	2	1,779	(800)	979
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,553	\$ (787)	\$ 41,766
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 119,353	\$ (73,222)	\$ 46,131
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 30,229	\$	\$ 30,229
120	QMRP Fringe Benefits				0
125	Lead Salaries		9,221		9,221
130	Lead Fringe Benefits				0
135	Aides Salaries		152,364		152,364
140	Aides Fringe Benefits				0
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 191,814	\$ 0	\$ 191,814

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARING CONCERN RESIDENTIAL HOMES INC. KOALA WAY

Fiscal Period:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	3	\$ 613	\$ 50	\$ 663
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		861		861
175	Occupational Therapy Consultant		3,300		3,300
180	Pharmacist Consultant		420		420
185	Nurse Consultant	4	11,437	(361)	11,076
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant	5	562	(150)	412
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,193	\$ (461)	\$ 16,732
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 21,189	\$	\$ 21,189
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees				0
230	Other Administrative and General		134,878		134,878
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 156,067	\$ 0	\$ 156,067
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 484,427	\$ (73,683)	\$ 410,744
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 484,427	\$ (73,683)	\$ 410,744

Provider Name		Fiscal Period		Provider Number		Adjustments		
CARING CONCERN RESIDENTIAL HOMES - KOALA WAY		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60792H		8		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Explanation of Audit Adjustments								
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4	80	4	2	80.00	\$23,324	(\$456)	\$22,868 *
Home Operations and Maintenance To adjust general home expenses to agree with the provider's record 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
2	4	100	4	2	100.00	\$1,779	(\$800)	\$979
Personal Care and Laundry To eliminate prior year personal care expense. 42 CFR 413.5, 413.20, 413.24 and 460.204 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304								
3	4.1	160	4	2	160.00	\$613	\$50	\$663
Dietitian Consultant To adjust the dietitian consultant expense to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
4	4.1	185	4	2	185.00	\$11,437	(\$361)	\$11,076
Nurse Consultant To adjust the nursing consultants expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
5	4.1	210	4	2	210.00	\$562	(\$150)	\$412
Other Consultant To adjust the other consultant expense to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
6	4	80	4	2	80.00	\$22,868	\$469	\$23,337
Home Operations and Maintenance To adjust the Department of Public Health licensing fees to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period				Provider Number		Adjustments	
CARING CONCERN RESIDENTIAL HOMES - KOALA WAY		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC60792H		8	
Report References									
Cost Report		Audit Report							
DHS 3076									
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col	As Reported	Increase (Decrease)	As Adjusted
ADJUSTMENTS TO REPORTED COSTS									
7	4	50	4	2	50.00		\$76,800	(\$76,800)	\$0
Leases and Rentals To eliminate lease expense from a related organization. 42 CFR 413.17 / CMS Pub. 15-1, Section 1005									
8	4	55	4	2	55.00		\$0	\$4,365	\$4,365
Real Property Taxes To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Section 1011.5									