

**REPORT
ON THE
RATE SETTING AUDIT**

**CAMELOT
BELLFLOWER, CALIFORNIA
PROVIDER NUMBER: LTC 80017I**

**FISCAL PERIOD ENDED
DECEMBER 31, 2007**

**Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Ted Ha**



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 15, 2008

Cheryl Loflin-Wertz, President
Harbor Health Care, Inc.
16917 Clark Avenue
Bellflower, CA 90706

PROVIDER: CAMELOT
PROVIDER NO.: LTC 800171
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, 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 | \$ | 428,893 | \$ 207.50 |
| Net Audit Adjustment | | <u>(6,306)</u> | <u>(3.15)</u> |
| Audited Cost/Cost Per Day | \$ | <u>422,587</u> | \$ <u>204.35</u> |

This audit report includes the:

1. Audit Report Schedules 1 through 3
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
CAMELOT

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

Provider Number:
LTC800171

| SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY | AS REPORTED | AS AUDITED |
|---|------------------------|-----------------------|
| 1. Medi-Cal Client Days (Adj 1) | 2,067 | 2,068 |
| 2. Other Client Days (Adj) | | 0 |
| 3. Total Client Days | <u>2,067</u> | <u>2,068</u> |
| 4. Total Client Care Expenses (From Sch. 2) | \$ <u>428,893</u> | \$ <u>422,587</u> |
| 5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3) | \$ <u>207.50</u> | \$ <u>204.35</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:
CAMELOT

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

Provider Number:
LTC800171

| Line No. | DESCRIPTION | ADJ NO. | AS REPORTED | AUDIT ADJUSTMENT | AS AUDITED |
|----------|---|---------|-------------|------------------|------------|
| | EXPENSES: CLIENT SERVICES | | | | |
| | Basic Facility Cost - Property Expenses | | | | |
| 045 | Depreciation and Amortization | | \$ 261 | \$ | \$ 261 |
| 050 | Leases and Rentals | | 30,000 | | 30,000 |
| 055 | Real Property Taxes | | 2,184 | | 2,184 |
| 060 | Personal Property Taxes | | | | 0 |
| 065 | Mortgage Interest | | | | 0 |
| 070 | Property Insurance | | | | 0 |
| 075 | TOTAL PROPERTY EXPENSES (Lines 045 through 070) | | \$ 32,445 | \$ 0 | \$ 32,445 |
| | Basic Facility Cost - General Home Expenses | | | | |
| 080 | Home Operations and Maintenance | | \$ 14,968 | \$ | \$ 14,968 |
| 085 | Utilities | | 5,625 | | 5,625 |
| 090 | Client Transportation | | | | 0 |
| 095 | Dietary | | 10,798 | | 10,798 |
| 100 | Personal Care and Laundry | | 677 | | 677 |
| 105 | TOTAL GENERAL HOME EXPENSES (Lines 080 through 100) | | \$ 32,068 | \$ 0 | \$ 32,068 |
| 110 | TOTAL BASIC FACILITY COST (Lines 075 plus 105) | | \$ 64,513 | \$ 0 | \$ 64,513 |
| | EXPENSES: DIRECT CARE STAFF COSTS | | | | |
| 115 | QMRP Salaries | | \$ 13,072 | \$ | \$ 13,072 |
| 120 | QMRP Fringe Benefits | | 2,072 | | 2,072 |
| 125 | Lead Salaries | | 13,472 | | 13,472 |
| 130 | Lead Fringe Benefits | | 2,135 | | 2,135 |
| 135 | Aides Salaries | | 101,088 | | 101,088 |
| 140 | Aides Fringe Benefits | | 16,023 | | 16,023 |
| 145 | Other Salaries | | 83,768 | | 83,768 |
| 150 | Other Fringe Benefits | | 13,278 | | 13,278 |
| 155 | TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) | | \$ 244,908 | \$ 0 | \$ 244,908 |

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CAMELOT

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

Provider Number:
LTC800171

| Line No. | DESCRIPTION | ADJ NO. | AS REPORTED | AUDIT ADJUSTMENT | AS AUDITED |
|----------|---|---------|-------------|------------------|-------------|
| | EXPENSES: CONSULTANT COSTS | | | | |
| 160 | Dietician Consultant | | \$ 1,257 | \$ | \$ 1,257 |
| 165 | Speech Pathology Consultant | | | | 0 |
| 170 | Physical Therapy Consultant | | 1,560 | | 1,560 |
| 175 | Occupational Therapy Consultant | | 1,020 | | 1,020 |
| 180 | Pharmacist Consultant | | 480 | | 480 |
| 185 | Nurse Consultant | | | | 0 |
| 190 | Psychologist Consultant | | | | 0 |
| 195 | Physician Consultant | | | | 0 |
| 200 | Recreational Consultant | | 1,230 | | 1,230 |
| 205 | Social Service Consultant | | | | 0 |
| 210 | Other Consultant | | | | 0 |
| 215 | TOTAL CONSULTANT COST (Lines 160 through 210) | | \$ 5,547 | \$ 0 | \$ 5,547 |
| | EXPENSES: ADMINISTRATIVE COSTS | | | | |
| 220 | Administrative Salaries | | \$ | \$ | \$ 0 |
| 225 | Administrative Fringe Benefits | | | | 0 |
| 226 | Quality Assurance Fees | | 37,956 | | 37,956 |
| 230 | Other Administrative and General | 1 | 75,969 | (6,306) | 69,663 |
| 235 | TOTAL ADMINISTRATIVE COST (Lines 220 through 230) | | \$ 113,925 | \$ (6,306) | \$ 107,619 |
| | TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235) | | \$ 428,893 | \$ (6,306) | \$ 422,587 |
| | 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) | | \$ 428,893 | \$ (6,306) | \$ 422,587 |

SUMMARY OF AUDITED LABOR REPORT

Provider:
CAMELOT

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

Provider Number:
LTC800171

| Line No. | Description | AS AUDITED | | | Average Hourly Wage (Col 2 / Col 3) |
|----------|---------------------------------------|-----------------|-----------------|----------------------------|-------------------------------------|
| | | (1) Benefits | (2) Salaries | (3) Total Hours (Adj 3) | |
| | DIRECT CARE STAFF | | | | |
| | | (From Sch. 2) | (From Sch. 2) | | |
| 1 | QMRP | \$ 2,072 | \$ 13,072 | | \$ 0.00 |
| 2 | Lead | 2,135 | 13,472 | | 0.00 |
| 3 | Aides | 16,023 | 101,088 | | 0.00 |
| 4 | Other | 13,278 | 83,768 | | 0.00 |
| 5 | TOTAL DIRECT CARE (Lines1 through 4) | \$ 33,508 | \$ 211,400 | 0 | |
| | CONSULTANT STAFF | | | | |
| 6 | Dietician | \$ | \$ 1,257 | 27 | \$ 47.00 |
| 7 | Speech Pathology | | | | 0.00 |
| 8 | Physical Therapy | | 1,560 | 39 | 40.00 |
| 9 | Occupational Therapy | | 1,020 | 26 | 40.00 |
| 10 | Pharmacist | | 480 | 4 | 120.00 |
| 11 | Nurse | | | | 0.00 |
| 12 | Psychologist | | | | 0.00 |
| 13 | Physician | | | | 0.00 |
| 14 | Recreational | | 1,230 | 31 | 40.00 |
| 15 | Social Service | | | | 0.00 |
| 16 | Other | | | | 0.00 |
| 17 | TOTAL CONSULTANT (Lines 6 through 16) | \$ 0 | \$ 5,547 | 126 | |
| | ADMINISTRATIVE STAFF | | | | |
| 18 | Administrative Staff | \$ | \$ | | \$ 0.00 |
| 19 | TOTAL STAFF (Lines 5, 17, 18) | \$ 33,508 | \$ 216,947 | 126 | |

| Provider Name | | Fiscal Period | | Provider Number | | Adjustments | | |
|---|-----------------------|---|--------------|-----------------|--------|-------------|---------------------|-------------|
| CAMELOT | | JANUARY 1, 2007 THROUGH DECEMBER 31, 2007 | | LTC800171 | | 3 | | |
| Adj. No. | MC530 Page or Exhibit | Report References | | Sch | Line | As Reported | Increase (Decrease) | As Adjusted |
| | | Cost Report | Audit Report | | | | | |
| 1 | 4.1 | 230 | 4 | 2 | 230.00 | \$75,969 | (\$6,306) | \$69,663 |
| <p>Other Administrative and General To adjust reported home office costs to agree with the Harbor Health Care, Inc. Home Office Audit Report for fiscal period ended December 31, 2007 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304</p> <p style="text-align: center;">ADJUSTMENT TO REPORTED COSTS</p> | | | | | | | | |

| Provider Name | | Fiscal Period | | Provider Number | | Adjustments | |
|--|-----------------------|---|--------------|-----------------|------|-------------|-------------|
| CAMELOT | | JANUARY 1, 2007 THROUGH DECEMBER 31, 2007 | | LTC800171 | | 3 | |
| Adj. No. | MC530 Page or Exhibit | Report References | | Sch | Line | As Reported | As Adjusted |
| | | Cost Report | Audit Report | | | | |
| Line | Line | Col. | Line | | | | |
| 2 | 2 | 3 | 3 | 1 | 3.00 | 2,067 | 2,068 |
| <p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Total Client Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304</p> | | | | | | | |

| Provider Name | | Fiscal Period | | Provider Number | | Adjustments | |
|---|-----------------------|---|--------------|-----------------|-------|---------------------|-------------|
| CAMELOT | | JANUARY 1, 2007 THROUGH DECEMBER 31, 2007 | | LTC800171 | | 3 | |
| Adj. No. | MC530 Page or Exhibit | Report References | | Sch | Line | As Reported | As Adjusted |
| | | Cost Report | Audit Report | | | | |
| | Line | Col. | | | | Increase (Decrease) | |
| 3 | 6 | 10 | 3 | 3 | 10.00 | 16 | 4 |
| <p>Pharmacist Consultant (Hours)</p> <p>To adjust consultant hours to agree with the payroll records.</p> <p>42 CFR 413.20 / CMS Pub. 15-1, Section 2304</p> <p style="text-align: center;"><u>ADJUSTMENT TO THE LABOR REPORT</u></p> | | | | | | | |
| | | | | | | (12) | |