

**REPORT
ON THE
RATE SETTING AUDIT**

**ELM ICF
LODI, CALIFORNIA
PROVIDER NUMBER: LTC80160F / NPI 1104976794**

**FISCAL PERIOD ENDED
JUNE 30, 2008**

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

**Acting Section Chief: Jeff Sandman
Audit Supervisor: Steven Gary
Auditors: Gene Bannister and Phil Kram**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 30, 2009

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

PROVIDER: ELM ICF
PROVIDER NO. LTC80160F / NPI 1104976794

FISCAL PERIOD ENDED JUNE 30, 2008

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	\$	438,096	\$ 219.16
Net Audit Adjustment		<u>(93,414)</u>	<u>(46.73)</u>
Audited Cost/Cost Per Day	\$	<u>344,682</u>	\$ <u>172.43</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments Schedule

Future Medi-Cal long-term care prospective rates may be affected by this examination.

Elena Gabriel
Page 2

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:

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

Original Signed By

Jeff Sandman, Acting Chief
Audits Section - Sacramento
Financial Audits Branch

Certified

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

Provider:
GABRIEL CARE HOMES, INC DBA ELM ICF

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC80160F

Provider NPI:
1104976794

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,999	1,999
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,999</u>	<u>1,999</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>438,096</u>	\$ <u>344,682</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>219.16</u>	\$ <u>172.43</u>

SHARE OF COST

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

OVERPAYMENTS

1. Duplicate Payments (Adj)	\$ <u> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GABRIEL CARE HOMES, INC DBA ELM ICF

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC80160F

Provider NPI:
1104976794

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 0	\$ 720	\$ 720
050	Leases and Rentals	2	46,000	(46,000)	0
055	Real Property Taxes		3,645		3,645
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		2,315		2,315
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 51,960	\$ (45,280)	\$ 6,680
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3,4	\$ 25,993	\$ (12,497)	\$ 13,496
085	Utilities		7,203		7,203
090	Client Transportation	5	9,636	(9,636)	0
095	Dietary		7,452		7,452
100	Personal Care and Laundry		507		507
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 50,791	\$ (22,133)	\$ 28,658
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 102,751	\$ (67,413)	\$ 35,338
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 26,525	\$	\$ 26,525
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		97,300		97,300
140	Aides Fringe Benefits		10,546		10,546
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 134,371	\$ 0	\$ 134,371

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GABRIEL CARE HOMES, INC DBA ELM ICF

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC80160F

Provider NPI:
1104976794

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	6	\$ 894	\$ (17)	\$ 877
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant	6	900	(180)	720
185	Nurse Consultant	5	85,497	(5,515)	79,982
190	Psychologist Consultant		263		263
195	Physician Consultant		1,466		1,466
200	Recreational Consultant		1,230		1,230
205	Social Service Consultant				0
210	Other Consultant		250		250
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 90,500	\$ (5,712)	\$ 84,788
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries	5	\$ 45,606	(45,606)	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		23,506		23,506
230	Other General and Administrative	5,7	41,362	25,317	66,679
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 110,474	\$ (20,289)	\$ 90,185
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 438,096	\$ (93,414)	\$ 344,682
	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)		\$ 438,096	\$ (93,414)	\$ 344,682

Provider Name		Fiscal Period				Provider Number		Adjustments	
GABRIEL CARE HOMES, dba ELM ICF		JULY 1, 2007 THROUGH JUNE 30, 2008				LTC80160F		7	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch	Line				
ADJUSTMENTS TO REPORTED COSTS									
1	4	45	4	2	45.00	\$0	\$720	\$720	
Depreciation and Amortization To record depreciation expense for asset that should have been capitalized. 42 CFR 413.134 CMS Pub. 15-1, Sections 108 and 2300									
2	4	50	4	2	50.00	\$46,000	(\$46,000)	\$0	
Leases and Rentals To eliminate lease expenses from a related organization. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 1005 and 2304									
3	4	80	4	2	80.00	\$25,993			
Home Operations and Maintenance To adjust home operations expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 1005 and 2304									
4							(9,600)	\$13,496	
To eliminate roofing expenses for asset that should have been capitalized. 42 CFR 413.134 CMS Pub. 15-1, Sections 108 and 2300									
5	4	90	4	2	90.00	\$9,636	(\$9,636)	\$0	
	4.1	185	4	2	185.00	85,497	(5,515)	79,982	
	4.1	220	4	2	220.00	45,606	(45,606)	0	
	4.1	230	4	2	230.00	41,362	(33,728)	7,634 *	
Other General and Administrative To eliminate reported Home Office costs in conjunction with adjustment number 7 to include audited Home Office Costs. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.3									

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period				Provider Number		Adjustments	
GABRIEL CARE HOMES, dba ELM ICF		JULY 1, 2007 THROUGH JUNE 30, 2008				LTC80160F		7	
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Line	Col.	Sch				Audit Report
ADJUSTMENTS TO REPORTED COSTS									
6	4.1	160	4	2	2	160.00	Dietician Consultant	\$894	\$877
	4.1	180	4	2	2	180.00	Pharmacist Consultant	900	(180)
To adjust reported consultant's expenses to agree with provider records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 1005 and 2304									
7	4.1	230	4	2	2	230.00	Other General and Administrative	\$7,634	\$59,045
To adjust reported home office costs to agree with Gabriel Care Homes, Inc. Home Office Audit report for fiscal period ended June 30, 2008 in conjunction with adjustment number 5. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304									

*Balance carried forward from prior/to subsequent adjustments