REPORT
ON THE
RATE SETTING AUDIT

BEARCREEK
LODI, CALIFORNIA
PROVIDER NUMBER: LTC80353F / NPI 1679749139

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

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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

December 30, 2009

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

PROVIDER: BEARCREEK
PROVIDER NO. LTC80353F / NPI 1679749139
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	465,104	$	211.80
Net Audit Adjustment		(78,978)		(35.97)
Audited Cost/Cost Per Day	$	386,126	$	175.83

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. 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 BEARCREEK

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

Provider Number:
LTC80353F

Provider NPI:
1679749139

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Other Client Days (Adj)		0
3. Total Client Days	2,196	2,196
4. Total Client Care Expenses (From Sch. 2)	$ 465,104	$ 386,126
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 211.80	$ 175.83
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GABRIEL CARE HOMES, INC DBA BEARCREEK

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

Provider Number:
LTC80353F

Provider NPI:
1679749139

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	1	46,000	(46,000)	0
055	Real Property Taxes	2	4,018	(16)	4,002
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		2,315		2,315
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 52,333	$ (46,016)	$ 6,317
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3	$ 17,148	$ (1,599)	$ 15,549
085	Utilities		6,171		6,171
090	Client Transportation	4	9,684	(9,636)	48
095	Dietary		11,311		11,311
100	Personal Care and Laundry		367		367
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 44,681	$ (11,235)	$ 33,446
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 97,014	$ (57,251)	$ 39,763
	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		125,567		125,567
140	Aides Fringe Benefits	6	5,749	(1,343)	4,406
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 157,841	$ (1,343)	$ 156,498

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GABRIEL CARE HOMES, INC DBA BEARCREEK

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

Provider Number:
LTC80353F

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	5	$ 894	$ (219)	$ 675
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant	5	900	(180)	720
185	Nurse Consultant	4	95,003	(5,515)	89,488
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		1,572		1,572
205	Social Service Consultant		1,230		1,230
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 99,599	$ (5,914)	$ 93,685
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries	4	$ 45,606	(45,606)	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		24,356		24,356
230	Other General and Administrative	4,7	40,688	31,136	71,824
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 110,650	$ (14,470)	$ 96,180
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 465,104	$ (78,978)	$ 386,126
	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)		$ 465,104	$ (78,978)	$ 386,126

Provider Name	Fiscal Period	Provider Number	Adjustments
GABRIEL CARE HOMES, dba BEARCREEK	JULY 1, 2007 THROUGH JUNE 30, 2008	LTC80353F	7

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENTS TO REPORTED COSTS			
1	4	50	4	2	50.00	Leases and Rentals	$46,000	($46,000)	$0
						To eliminate lease expenses from a related organization.			
						42 CFR 413.17 and 413.24			
						CMS Pub 15-1, Sections 1005 and 2304			
2	4	55	4	2	55.00	Real Property Taxes	$4,018	($16)	$4,002
						To adjust reported real property taxes to audited tax bills.			
						42 CFR 413.17 and 413.24			
						CMS Pub 15-1, Sections 1005 and 2304			
3	4	80	4	2	80.00	Home Operations and Maintenance	$17,148	($1,599)	$15,549
						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	4	90	3	2	90.00	Client Transportation	$9,684	($9,636)	$48
	4.1	185	3	2	185.00	Nurse Consultant	95,003	(5,515)	89,488
	4.1	220	3	2	220.00	Administrative Salaries	45,606	(45,606)	0
	4.1	230	3	2	230.00	Other General and Administrative	40,688	(33,728)	6,960 *
						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, Section 2150.3			
5	4.1	160	4	2	160.00	Dietician Consultant	$894	($219)	$675
	4.1	180	4	2	180.00	Pharmacist Consultant	900	(180)	720
						To adjust reported consultant's expenses to agree with provider's records.			
						42 CFR 413.20 and 413.24			
						CMS Pub 15-1, Sections 1005 and 2304			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustments
GABRIEL CARE HOMES, dba BEARCREEK	JULY 1, 2007 THROUGH JUNE 30, 2008	LTC80353F	7

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENTS TO REPORTED COSTS				
6	4.1	140	4	2	140.00	Aides Benefits To adjust Aides Benefits due to improper allocation (100%) to the facility. 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 1005 and 2304		$5,749	($1,343)	$4,406
7	4.1	230	4	2	230.00	Other General and Administrative 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 4. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304	*	$6,960	$64,864	$71,824

*Balance carried forward from prior/to subsequent adjustments