

**REPORT
ON THE
RATE SETTING AUDIT**

**CALLE SONORA PLACE
SAN CLEMENTE, CALIFORNIA
PROVIDER NUMBER: LTC80102F**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Nahid Nastar**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

November 18, 2009

Dr. Robin Hodges, Administrator
C.L.O, Inc.
24761 Via Larga
Laguna Niguel, CA 92677

PROVIDER: CALLE SONORA PLACE
PROVIDER NO. LTC80102F
FISCAL PERIOD ENDED DECEMBER 31, 2008

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	\$	467,171		\$ 213.81
Net Audit Adjustment		<u>(295)</u>		<u>(0.14)</u>
Audited Cost/Cost Per Day	\$	<u>466,876</u>		\$ <u>213.67</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. The extent to which the rates change will be determined by the Department's Rate Development Branch.

Dr. Robin Hodges
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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

cc: Terry Ward
Chief Financial Officer
C.L.O Incorporated
24761 Via Larga
Laguna Niguel, CA 92677

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

Provider:
CALLE SONORA PLACE

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80102F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,185	2,185
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,185</u>	<u>2,185</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>467,171</u>	\$ <u>466,955</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>213.81</u>	\$ <u>213.71</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)	\$ <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:
CALLE SONORA PLACE

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80102F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 3,911	\$	\$ 3,911
050	Leases and Rentals				0
055	Real Property Taxes		3,283		3,283
060	Personal Property Taxes				0
065	Mortgage Interest		16,695		16,695
070	Property Insurance		3,067		3,067
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 26,956	\$ 0	\$ 26,956
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 18,788	\$	\$ 18,788
085	Utilities	1,2	9,018	(215)	8,803
090	Client Transportation		172		172
095	Dietary		25,898		25,898
100	Personal Care and Laundry		13,145		13,145
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 67,022	\$ (215)	\$ 66,807
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 93,978	\$ (215)	\$ 93,763
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,199	\$	\$ 17,199
120	QMRP Fringe Benefits		1,076		1,076
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		121,342		121,342
140	Aides Fringe Benefits		30,072		30,072
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 169,689	\$ 0	\$ 169,689

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
 CALLE SONORA PLACE

Fiscal Period:
 JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,850	\$	\$ 1,850
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		340		340
175	Occupational Therapy Consultant		923		923
180	Pharmacist Consultant		520		520
185	Nurse Consultant		14,400		14,400
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		2,910		2,910
205	Social Service Consultant				0
210	Other Consultant		41,009		41,009
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 61,951	\$ 0	\$ 61,951
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		19,848		19,848
230	Other Administrative and General		121,705		121,705
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 141,553	\$ 0	\$ 141,552
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 467,171	\$ (215)	\$ 466,955
	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)		\$ 467,171	\$ (215)	\$ 466,955

Provider Name		Fiscal Period		Provider Number		Adjustments		
CALLE SONORA PLACE		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80102F		2		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT					
ADJUSTMENTS TO REPORTED COSTS								
1	4	85	4	2	85.00	Utilities To eliminate prior year cable tv expense. 42 CFR 413.5 and 413.24, CMS Pub. 15-1, Sections 2300 and 2302.1	(\$72)	\$8,946 *
2	4	85	4	2	85.00	Utilities To eliminate premium tv channel expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3	(\$143)	\$8,803

*Balance carried forward from prior/to subsequent adjustments