

**REPORT  
ON THE  
RATE SETTING AUDIT**

**CAPISTRANO  
BELLFLOWER, CALIFORNIA  
PROVIDER NUMBER: LTC80012I**

**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: Felipe Avila  
Auditor: Vanessa Hu**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

November 10, 2009

Cathy Jaramillo  
Finance Manager  
Harbor Health Care, Inc.  
16917 Clark Avenue  
Bellflower, California 90706

PROVIDER: CAPISTRANO  
PROVIDER NO. LTC80012I  
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 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	\$	437,250	\$ 199.11
Net Audit Adjustment		<u>(1,357)</u>	<u>(0.62)</u>
Audited Cost/Cost Per Day	\$	<u>435,893</u>	\$ <u>198.49</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.

Cathy Jaramillo  
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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

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

**Provider:**  
CAPISTRANO

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

**Provider Number:**  
LTC80012I

<b>SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY</b>	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,196	2,196
2. Other Client Days (Adj )		0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>437,250</u>	\$ <u>435,893</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>199.11</u>	\$ <u>198.49</u>
<b>SHARE OF COST</b>		
1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
<b>OVERPAYMENTS</b>		
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:  
CAPISTRANO

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

Provider Number:  
LTC80012I

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	3	\$ 824	\$ 199	\$ 1,023
050	Leases and Rentals		30,000		30,000
055	Real Property Taxes		2,220		2,220
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance	1	4,172	(360)	3,812
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 37,216	\$ (161)	\$ 37,055
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	2	\$ 15,868	\$ (1,196)	\$ 14,672
085	Utilities		8,281		8,281
090	Client Transportation		0		0
095	Dietary		16,891		16,891
100	Personal Care and Laundry		1,092		1,092
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,132	\$ (1,196)	\$ 40,936
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 79,348	\$ (1,357)	\$ 77,991
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 13,360		\$ 13,360
120	QMRP Fringe Benefits		1,943		1,943
125	Lead Salaries		28,275		28,275
130	Lead Fringe Benefits		4,112		4,112
135	Aides Salaries		97,495		97,495
140	Aides Fringe Benefits		14,178		14,178
145	Other Salaries		77,053		77,053
150	Other Fringe Benefits		11,205		11,205
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 247,621	\$ 0	\$ 247,621

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CAPISTRANO

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

Provider Number:  
LTC80012I

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,257	\$	\$ 1,257
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		1,580		1,580
175	Occupational Therapy Consultant		1,070		1,070
180	Pharmacist Consultant		480		480
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		930		930
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 5,317	\$ 0	\$ 5,317
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		25,604		25,604
230	Other Administrative and General		79,360		79,360
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 104,964	\$ 0	\$ 104,964
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 437,250	\$ (1,357)	\$ 435,893
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 437,250	\$ (1,357)	\$ 435,893

## SUMMARY OF AUDITED LABOR REPORT

Provider:  
CAPISTRANO

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

Provider Number:  
LTC80012I

Line No.	Description	AS AUDITED			Average Hourly Wage (Col 2 / Col 3)
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	
	<b>DIRECT CARE STAFF</b>				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 1,943	\$ 13,360	462	\$ 28.92
2	Lead	4,112	28,275	2,257	12.53
3	Aides	14,178	97,495	10,105	9.65
4	Other	11,205	77,053	3,396	22.69
5	TOTAL DIRECT CARE (Lines1 through 4)	\$ 31,438	\$ 216,183	16,220	
	<b>CONSULTANT STAFF</b>				
6	Dietician	\$	\$ 1,257	27	\$ 46.56
7	Speech Pathology		0	0	0.00
8	Physical Therapy		1,580	40	39.50
9	Occupational Therapy		1,070	27	39.63
10	Pharmacist		480	16	30.00
11	Nurse				0.00
12	Psychologist				0.00
13	Physician				0.00
14	Recreational		930	23	40.43
15	Social Service				0.00
16	Other				0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 5,317	133	
	<b>ADMINISTRATIVE STAFF</b>				
18	Administrative Staff	\$	\$		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 31,438	\$ 221,500	16,353	

