

**REPORT
ON THE
RATE SETTING AUDIT**

**CREST VIEW ICF/DD-N
BELMONT, CALIFORNIA
PROVIDER NUMBER: LTC80278F AND
NPI NUMBER: 1306902507**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Section Chief: Louise Wong
Audit Supervisor: Diana Dong
Auditor: Wenli Wei**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

January 25, 2010

Hermie Yema, Administrator
Crest View ICF/DD-N
865 Alta Loma Drive
South San Francisco, CA 94080

PROVIDER: CREST VIEW ICF/DDN HOME
PROVIDER NO: LTC80278F AND NPI NO. 1306902507
FISCAL PERIOD ENDED DECEMBER 31, 2008

We have examined the facility's 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 and 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	\$	454,926	\$ 215.91
Net Audit Adjustment		<u>(84,614)</u>	<u>(39.15)</u>
Audited Cost/Cost Per Day	\$	<u>370,312</u>	\$ <u>176.76</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.

Hermie Yema
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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
P.O. 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

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

Provider:
CREST VIEW ICF/DD-N HOME

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

Provider Number:
LTC80278F

Provider NPI:
1306902507

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 9)	2,107	2,095
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,107</u>	<u>2,095</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>454,925</u>	\$ <u>370,311</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>215.91</u>	\$ <u>176.76</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CREST VIEW ICF/DD-N HOME

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

Provider Number:
LTC80278F

Provider NPI:
1306902507

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation		\$ 0	\$	\$ 0
050	Leases and Rentals	1	29,000	(17,000)	12,000
055	Real Property Taxes				0
060	Personal Property Taxes				
065	Mortgage Interest				0
070	Property Insurance		120	0	120
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 29,120	\$ (17,000)	\$ 12,120
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 1,913	\$ 0	\$ 1,913
085	Utilities		8,032	0	8,032
090	Client Transportation	2	4,582	(3,268)	1,314
095	Dietary	3	10,128	(605)	9,523
100	Personal Care and Laundry	4	716	(137)	579
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,371	\$ (4,010)	\$ 21,361
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 54,491	\$ (21,010)	\$ 33,481
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	6	\$ 14,000	\$ (8,471)	\$ 5,529
120	QMRP Fringe Benefits		1,575	0	1,575
125	Lead Salaries	6	19,276	(1,722)	17,554
130	Lead Fringe Benefits		3,228	0	3,228
135	Aides Salaries		131,899	0	131,899
140	Aides Fringe Benefits	7	32,060	(1,399)	30,661
145	Other Salaries				
150	Other Fringe Benefits				
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 202,038	\$ (11,592)	\$ 190,446

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CREST VIEW ICF/DD-N HOME

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

Provider Number:
LTC80278F

Provider NPI:
1306902507

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 515	\$ 0	\$ 515
165	Speech Pathology Consultant				
170	Physical Therapy Consultant		700	0	700
175	Occupational Therapy Consultant				
180	Pharmacist Consultant				
185	Nurse Consultant		24,175	0	24,175
190	Psychologist Consultant		1,065	0	1,065
195	Physician Consultant				
200	Recreational Consultant		280	0	280
205	Social Service Consultant				
210	Other Consultant		20,081	0	20,081
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 46,816	\$ 0	\$ 46,816
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries	6	\$ 48,500	\$ (19,876)	\$ 28,624
225	Administrative Fringe Benefits		7,492	0	7,492
226	Quality Assurance Fees	5	2,690	24,111	26,801
230	Other Administrative and General	8	92,898	(56,247)	36,651
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 151,580	\$ (52,012)	\$ 99,568
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 454,925	\$ (84,614)	\$ 370,311
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$	\$	\$
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 454,925	\$ (84,614)	\$ 370,311

Provider Name		Fiscal Period		Provider Number		Adjustments		
CREST VIEW ICF/DD-N HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80278F		9		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Line	Col.	Explanation of Audit Adjustments						
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4 of 6	050	4	2	50	\$29,000	(\$17,000)	\$12,000
Leases and Rental To eliminate prior year lease expense. CMS Pub. 15-1, Sections 2300 and 2302.1								
2	4 of 6	090	4	2	90	\$4,582	(\$3,268)	\$1,314
Client Transportation To eliminate transportation expenses not related to patient care. CMS Pub. 15-1, Section 202.2								
3	4 of 6	095	4	2	95	\$10,128	(\$605)	\$9,523
Dietary To eliminate dietary expenses not related to patient care. CMS Pub. 15-1, Section 202.2								
4	4 of 6	100	4	2	100	\$716	(\$137)	\$579
Personal Care and Laundry To eliminate personal care and laundry expenses not related to patient care. CMS Pub. 15-1, Section 202.2								
5	4.1 of 6	226	4	2	226	\$2,690	\$24,111	\$26,801
Quality Assurance Fees To include Quality Assurance fees for proper cost determination. CMS Pub 15-1, Sections 2300 and 2304								
6	4.1 of 6	115	4	2	115	\$14,000	(\$8,471)	\$5,529
	4.1 of 6	125	4	2	125	19,276	(1,722)	17,554
	4.1 of 6	220	4	2	220	48,500	(19,876)	28,624
Administrative Salaries To eliminate payroll expenses due to lack of documentation. CMS Pub 15-1, Sections 2300 and 2304								

Provider Name		Fiscal Period		Provider Number		Adjustments	
CREST VIEW ICF/DD-N HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80278F		9	
Adj. No.	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report					
DHS 3076 Page or Exhibit	Line	Col.					
7	4.1 of 6	140	4	2	140	Aides Benefits To adjust workers' compensation to the amount allowable based upon audited payroll salary and experience modifications. CMS Pub 15-1, Sections 2300 and 2304	\$32,060 (\$1,399) \$30,661
8	4.1 of 6	230	4	2	230	Other General and Administrative To adjust reported home office costs to agree with the Family Homes, Inc. home office audit report for fiscal period ended December 31, 2008. CMS Pub. 15-1, Sections 2150.2 and 2304	\$92,898 (\$56,247) \$36,651

Provider Name		Fiscal Period		Provider Number		Adjustments	
CREST VIEW ICF/DD-N HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80278F		9	
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Line	Col.	Sch			
9	DHS 3076 Page or Exhibit	3		1	1	2,107	2,095
	<p>Explanation of Audit Adjustments</p> <p>ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Client Days To adjust total client days to agree with the provider's census reports. CMS Pub. 15-1, Sections 2205 and 2304</p>						