

**REPORT  
ON THE  
RATE SETTING AUDIT**

**ELGIN HOME  
PARADISE, CALIFORNIA  
PROVIDER NUMBER: LTC60337G / NPI 1780805879**

**FISCAL PERIOD ENDED  
December 31, 2008**

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

**Acting Section Chief: Jeff Sandman  
Audit Supervisor: Gary Diffenderffer  
Auditor: Jennifer A. White**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

December 29, 2009

Nancy Frye, Administrator  
Elgin Home  
556 Valley View Drive  
Paradise, CA 95969

PROVIDER: ELGIN HOME  
PROVIDER NOS. LTC60337G / NPI 1780805879  
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 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	\$	346,675	\$ 158.30
Net Audit Adjustment		(195)	(0.52)
Audited Cost/Cost Per Day	\$	<u>346,480</u>	\$ <u>157.78</u>

This audit report includes the:

1. Audit Report Schedules 1 and 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.

Nancy Frye, Administrator  
Page 2

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 - 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:**  
Elgin Home

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

**Provider Number:**  
LTC60337G

**Provider NPI:**  
1780805879

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj 3)	2,190	2,196
2. Other Client Days (Adj )		0
3. Total Client Days	<u>2,190</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>346,675</u>	\$ <u>346,480</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>158.30</u>	\$ <u>157.78</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:  
Elgin Home

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

Provider Number:  
LTC60337G

Provider NPI:  
1780805879

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		\$ 5,835	\$	\$ 5,835
050	Leases and Rentals				0
055	Real Property Taxes		2,916		2,916
060	Personal Property Taxes				0
065	Mortgage Interest		5,440		5,440
070	Property Insurance		943		943
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,134	\$ 0	\$ 15,134
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	2	\$ 12,691	\$ (195)	\$ 12,496
085	Utilities		10,277		10,277
090	Client Transportation		5,534		5,534
095	Dietary		7,215		7,215
100	Personal Care and Laundry		311		311
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 36,028	\$ (195)	\$ 35,833
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 51,162	\$ (195)	\$ 50,967
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 42,233	\$	\$ 42,233
120	QMRP Fringe Benefits		7,907		7,907
125	Lead Salaries		36,075		36,075
130	Lead Fringe Benefits		7,311		7,311
135	Aides Salaries		121,336		121,336
140	Aides Fringe Benefits		23,103		23,103
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 237,965	\$ 0	\$ 237,965

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
Elgin Home

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

Provider Number:  
LTC60337G

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,384	\$	\$ 1,384
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		4,339		4,339
175	Occupational Therapy Consultant		861		861
180	Pharmacist Consultant		300		300
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		860		860
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,744	\$ 0	\$ 7,744
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 12,701	\$	\$ 12,701
225	Administrative Fringe Benefits		8,155		8,155
226	Quality Assurance Fees		20,208		20,208
230	Other Administrative and General		8,740		8,740
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 49,804	\$	\$ 49,804
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 346,675	\$ (195)	\$ 346,480
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 346,675	\$ (195)	\$ 346,480



Provider Name		Fiscal Period		Provider Number		Adjustments		
ELGIN HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60337G		3		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Line	Col.	Sch			
1	4.1	235	4	2	235.00	\$50,804	(\$1,000)	\$49,804
<p><b>Total Administrative Cost</b></p> <p>The total amount of administrative costs reported on cost report page 4.1, column 4 did not properly foot. The total reported amount will be decreased by \$1,000 to properly reflect the total administrative costs. The total facility expense was correctly reported on cost report page 4.1, column 4.</p>								
<p><b><u>MEMORANDUM ADJUSTMENT</u></b></p>								

Provider Name		Fiscal Period		Provider Number		Adjustments		
ELGIN HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60337G		3		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
2	4	080	4	2	80.00	\$12,691	(\$195)	\$12,496
Home Operations and Maintenance To eliminate items not included in the rate. CCR, Title 22, Section 51511(c)								
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>								

Provider Name		Fiscal Period		Provider Number		Adjustments	
ELGIN HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60337G		3	
Adj. No.	Report References			Line	Sch	Col.	Line
	Cost Report	Audit Report					
	DHS 3076 Page or Exhibit						
<b>Explanation of Audit Adjustments</b>							
<b><u>ADJUSTMENTS TO REPORTED CLIENT DAYS</u></b>							
3	2, Section C	3	N/A	1	3.00	Client Days - Total To adjust total client days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	As Reported 2,190 Increase (Decrease) 6 As Adjusted 2,196