

**REPORT
ON THE
RATE SETTING AUDIT**

**GREENFIELDS INTERMEDIATE CARE FACILITY #3
VALLEJO, CALIFORNIA
PROVIDER NUMBER LTC80315F**

**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: Marvin Reynolds**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

November 24, 2009

Teresita Reyes, Administrator
Greenfields Intermediate Care Facility #3
100 Morgan Court
Vallejo, CA 94591

PROVIDER: GREENFIELDS INTERMEDIATE CARE FACILITY #3
PROVIDER NO. LTC80315F
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	\$	451,719	\$ 224.07
Net Audit Adjustment		<u>(10,037)</u>	<u>(4.98)</u>
Audited Cost/Cost Per Day	\$	<u>441,682</u>	\$ <u>219.09</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.

Teresita Reyes
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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:
GREENFIELDS INTERMEDIATE CARE FACILITY #3

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

Provider Number:
LTC80315F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,016	2,016
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,016</u>	<u>2,016</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>451,719</u>	\$ <u>441,682</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>224.07</u>	\$ <u>219.09</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</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:
GREENFIELDS INTERMEDIATE CARE FACILITY #3

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

Provider Number:
LTC80315F

Line No.	DESCRIPTION	ADJ NOS.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 11,873	\$ (1,998)	\$ 9,875
050	Leases and Rentals		3,579		3,579
055	Real Property Taxes		3,202		3,202
060	Personal Property Taxes				0
065	Mortgage Interest	2	15,754	(612)	15,142
070	Property Insurance		3,720		3,720
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 38,128	\$ (2,610)	\$ 35,518
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,393	\$	\$ 8,393
085	Utilities		14,076		14,076
090	Client Transportation		11,721		11,721
095	Dietary		10,642		10,642
100	Personal Care and Laundry		600		600
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 45,432	\$ 0	\$ 45,432
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 83,560	\$ (2,610)	\$ 80,950
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,000	\$	\$ 18,000
120	QMRP Fringe Benefits				0
125	Lead Salaries		36,749		36,749
130	Lead Fringe Benefits		835		835
135	Aides Salaries		178,148		178,148
140	Aides Fringe Benefits		43,309		43,309
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 277,041	\$ 0	\$ 277,041

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GREENFIELDS INTERMEDIATE CARE FACILITY #3

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

Provider Number:
LTC80315F

Line No.	DESCRIPTION	ADJ NOS.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 2,025	\$	\$ 2,025
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		1,240		1,240
185	Nurse Consultant		275		275
190	Psychologist Consultant		1,734		1,734
195	Physician Consultant		1,750		1,750
200	Recreational Consultant		1,440		1,440
205	Social Service Consultant (Administrator Consultant)		12,750		12,750
210	Other Consultant		1,002		1,002
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 22,216	\$ 0	\$ 22,216
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 25,970	\$	\$ 25,970
225	Administrative Fringe Benefits		59		59
226	Quality Assurance Fees	3	23,521	(2,786)	20,735
230	Other Administrative and General	4, 5, 6, 7 & 8	19,352	(4,641)	14,711
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,902	\$ (7,427)	\$ 61,475
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 451,719	\$ (10,037)	\$ 441,682
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 3,587	\$	\$ 3,587
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 455,306	\$ (10,037)	\$ 445,269

Provider Name		Fiscal Period		Provider Number		Adjustments	
GREENFIELDS INTERMEDIATE CARE FACILITY #3		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80315F		8	
Adj. No.	Line	Report References		Line	Sch	Col.	Line
		COST REPORT	AUDIT REPORT				
	DHS 3076 Page or Exhibit						
Explanation of Audit Adjustments							
<u>ADJUSTMENTS TO REPORTED COSTS</u>							
1	Page 4 of 6	045	4	2	045		
		Depreciation and Amortization To adjust depreciation expenses to agree with the provider's detailed depreciation schedules. CMS Pub. 15-1, Sections 102 and 2304					
						\$11,873	(\$1,998) \$9,875
2	Page 4 of 6	065	4	2	065		
		Mortgage Interest To eliminate mortgage interest penalty expense for late charges not related to patient care. CMS Pub. 15-1, Sections 2100, 2102.3, and 2304					
						\$15,754	(\$612) \$15,142
3	Page 4.1 of 6	226	4	2	226		
		Quality Assurance Fees To eliminate quality assurance fees in excess of the amounts billed and paid. CMS Pub. 15-1, Sections 2300 and 2304					
						\$23,521	(\$2,786) \$20,735
4	Page 4.1 of 6	230	4	2	230		
		Other Administrative and General To eliminate penalty expenses due to late payment of Federal Employment Taxes as these penalties are not related to patient care. CMS Pub. 15-1, Sections 2102.3, 2122.1, and 2304					
						\$19,352	(\$593) \$18,759 *
5	Page 4.1 of 6	230	4	2	230		
		Other Administrative and General To eliminate donation expenses as not related to patient care and for insufficient documentation. CMS Pub. 15-1, Sections 2102.3 and 2304					
						\$18,759	(\$268) \$18,491 *
6	Page 4.1 of 6	230	4	2	230		
		Other Administrative and General To eliminate gift expenses as they are not related to patient care. CMS Pub. 15-1, Sections 2102.3 and 2304					
						\$18,491	(\$241) \$18,250 *

*Balance carried forward from prior/to subsequent adjustments

