

**REPORT
ON THE
RATE SETTING AUDIT**

**ARLINGTON HOME CARE, INC. #6
LOMITA, CALIFORNIA
PROVIDER NUMBER: LTC80237F
NATIONAL PROVIDER IDENTIFIER: 1295992758**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Henry Igboke
Auditor: David Ellis**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

Date: December 16, 2010

Pritam Matharu
President & CEO
Arlington Home Care, Inc.
2209 Arlington Avenue
Torrance, CA 90501

PROVIDER: ARLINGTON HOME CARE, INC. #6
PROVIDER NO. LTC80237F
FISCAL PERIOD ENDED DECEMBER 31, 2009

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	\$	436,211		\$ 213.10
Net Audit Adjustment		<u>(395)</u>		<u>(.20)</u>
Audited Cost/Cost Per Day	\$	<u>435,816</u>		\$ <u>212.90</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.

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:
ARLINGTON HOME CARE, INC. #6

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80237F

Provider NPI:
1295992758

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,047	2,047
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,047</u>	<u>2,047</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>436,211</u>	\$ <u>435,816</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>213.10</u>	\$ <u>212.90</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:
ARLINGTON HOME CARE, INC. #6

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80237F

NPI:
1295992758

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 7,569	\$ (367)	\$ 7,202
050	Leases and Rentals				0
055	Real Property Taxes		4,173		4,173
060	Personal Property Taxes				0
065	Mortgage Interest		7,091		7,091
070	Property Insurance		617		617
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 19,450	\$ (367)	\$ 19,083
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 10,271	\$	\$ 10,271
085	Utilities	2	5,378	(28)	5,350
090	Client Transportation		2,037		2,037
095	Dietary		7,903		7,903
100	Personal Care and Laundry		13,122		13,122
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 38,711	\$ (28)	\$ 38,683
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 58,161	\$ (395)	\$ 57,766
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		31,887		31,887
130	Lead Fringe Benefits		3,684		3,684
135	Aides Salaries		182,431		182,431
140	Aides Fringe Benefits		21,430		21,430
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 239,432	\$ 0	\$ 239,432

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ARLINGTON HOME CARE, INC. #6

Fiscal Period:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 121	\$	\$ 121
165	Speech Pathology Consultant		375		375
170	Physical Therapy Consultant		3,140		3,140
175	Occupational Therapy Consultant		900		900
180	Pharmacist Consultant		123		123
185	Nurse Consultant		20,560		20,560
190	Psychologist Consultant		1,292		1,292
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		15,784		15,784
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 42,295	\$ 0	\$ 42,295
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 14,300	\$	\$ 14,300
225	Administrative Fringe Benefits		1,269		1,269
226	Quality Assurance Fees		14,719		14,719
230	Other Administrative and General		66,035		66,035
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 96,323	\$ 0	\$ 96,323
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 436,211	\$ (395)	\$ 435,816
	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)		\$ 436,211	\$ (395)	\$ 435,816

Provider Name		Fiscal Period		Provider Number		Adjustments		
ARLINGTON HOME CARE, INC. #6		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80237F		2		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Explanation of Audit Adjustments								
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4 of 6	45	4	2	45.00	\$7,569	(\$367)	\$7,202
Depreciation and Amortization To eliminate depreciation expense due to lack of documentation. 42 CFR 413.20, 413.24, and 431.07 CMS Pub. 15-1, Sections 2300 and 2304, W & I Code 14124.2(b)								
2	4 of 6	85	4	2	85.00	\$5,378	(\$28)	\$5,350
Utilities To eliminate late fees and telephone information calls not related to patient care. 42 CFR 413.9(c)(3), 413.24 and 413.50 CMS Pub. 15-1, Sections 2106.1 and 2304								