

**REPORT
ON THE
HOME OFFICE AUDIT**

**ANTELOPE HILLS MANOR ICF/DDN INC.
ROSEVILLE, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Delia Valencia
Auditor: Olivia Huetter**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 1, 2013

Antonio Ranit, President
Antelope Hills Manor ICF/DDN Inc.
9500 Littoral Street
Roseville, CA 95747

ANTELOPE HILLS MANOR ICF/DDN INC.
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2011. 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 Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

If you have questions regarding this report, you may call the Audits Section—Sacramento at (916) 650-6994.

Original Signed By

Robert G. Kvick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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**COMPARISON OF REPORTED AND AUDITED
HOME OFFICE COST**

HOME OFFICE:
ANTELOPE HILLS MANOR ICF/DDN INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
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(From Sch 2, Col 6) (Col 5 - Col 4)

1.	ANTELOPE HILLS MANOR ICF/DDN	1770622292	12/31/11	\$344,315	\$92,066	(\$252,249)
2.	KLAMATH HOME ICF/DDN	1205002904	12/31/11	319,416	96,429	(222,987)
3.	TULLIA PLACE ICF/DDN	1528386786	12/31/11	200,693	58,395	(142,298)
4.					0	0
5.					0	0
6.					0	0
7.					0	0
8.					0	0
9.					0	0
10.					0	0
11.					0	0
12.					0	0
13.					0	0
14.					0	0
15.					0	0
16.					0	0
17.					0	0
18.					0	0
19.					0	0
20.					0	0
21.					0	0
22.					0	0
23.					0	0
24.					0	0
25.					0	0

TOTALS

	\$864,424	\$246,891	(\$617,534)
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SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:
 ANTELOPE HILLS MANOR ICF/DDN INC.

FISCAL PERIOD ENDED:
 DECEMBER 31, 2011

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	DIRECT EXPENSES 4 <small>(From Sch 4)</small>	POOLED EXPENSES 5 <small>(From Sch 3)</small>	TOTAL DIRECT & POOLED FACILITY EXPENSE 6 <small>(Col 4 + Col 5)</small>
1.	ANTELOPE HILLS MANOR ICF 1770622292	12/31/11	\$0	\$92,066	\$92,066
2.	KLAMATH HOME ICF/DDN 1205002904	12/31/11	0	96,429	96,429
3.	TULLIA PLACE ICF/DDN 1528386786	12/31/11	0	58,395	58,395
4.			0	0	0
5.			0	0	0
6.			0	0	0
7.			0	0	0
8.			0	0	0
9.			0	0	0
10.			0	0	0
11.			0	0	0
12.			0	0	0
13.			0	0	0
14.			0	0	0
15.			0	0	0
16.			0	0	0
17.			0	0	0
18.			0	0	0
19.			0	0	0
20.			0	0	0
21.			0	0	0
22.			0	0	0
23.			0	0	0
24.			0	0	0
25.			0	0	0
TOTALS			\$0	\$246,891	\$246,891
			<small>(To Sch 1)</small>		

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:
ANTELOPE HILLS MANOR ICF/DDN INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY 1	Allocation Statistics Base: Accumulated Cost 2	Percent 3	Allocation Pool Expenses 4
Program Services (Adj)	\$336,139	100.0000%	\$246,891
Nonprogram Services (Adj)		0.0000%	0
TOTAL	\$336,139	100.0000%	\$246,891

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	MEDI-CAL NUMBER	Audit Adjustment	Allocation Statistic: Client Days (Adj)	Allocated Pool Expense (Col 3 X UCM)
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1.	ANTELOPE HILLS MANOR ICF/DDN	1770622292	2,089	\$92,066
2.	KLAMATH HOME ICF/DDN	1205002904	2,188	96,429
3.	TULLIA PLACE ICF/DDN	1528386786	1,325	58,395
4.				0
5.				0
6.				0
7.				0
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0

TOTALS

5,602 \$246,891

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	44.071939
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:
 ANTELOPE HILLS MANOR ICF/DDN INC.

FISCAL PERIOD ENDED:
 DECEMBER 31, 2011

CHAIN COMPONENTS 1	MEDI-CAL NUMBER	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			Direct Cost 3 (Adj 15) (Adj)	specify expense 4 (Adj) (Adj)	specify expense 5 (Adj) (Adj)	specify expense 6 (Adj) (Adj)	
1.	ANTELOPE HILLS MANOR IC 1770622292	\$218,935	(\$218,935)	\$0	\$0	\$0	\$0
2.	KLAMATH HOME ICF/DDN 1205002904	188,322	(188,322)	0	0	0	0
3.	TULLIA PLACE ICF/DDN 1528386786	121,028	(121,028)	0	0	0	0
4.		0	0	0	0	0	0
5.		0	0	0	0	0	0
6.		0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
21.		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
TOTALS		\$528,285	(\$528,285)	\$0	\$0	\$0	\$0

(To Sch 2)

STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:
ANTELOPE HILLS MANOR ICF/DDN INC.FISCAL PERIOD ENDED:
DECEMBER 31, 2011

ACCOUNT DESCRIPTION 1	REPORTED POOLED COSTS 2	COST AUDIT ADJUSTMENTS 3	POOLED COST SUBTOTAL 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adj 1-14)	(Col 2 + Col 3)	(Adj 15)	(Col 4 - Col 5)
1. Salaries - Officers	\$127,700	(\$21,989)	\$105,711		\$105,711
2. Salaries - Other	14,932	(14,932)	0		0
3. Payroll Taxes	10,194		10,194		10,194
4. Employee Benefits	6,002	(970)	5,032		5,032
5. Travel	941	(929)	12		12
6. Entertainment	0		0		0
7. Automobile	15,665	(15,665)	0		0
8. Depreciation - Building	0		0		0
9. Depreciation - Equipment	0		0		0
10. Other Depreciation & Amortization	17,608		17,608		17,608
11. Leases and Rentals	0		0		0
12. Interest - Mortgages	27,264	(27,264)	0		0
13. Interest - Other	0		0		0
14. Taxes and Licenses	1,156	(759)	397		397
15. Legal and Accounting	8,695	(300)	8,395		8,395
16. Insurance	10,297	(5,649)	4,648		4,648
17. Telephone	1,835		1,835		1,835
18. Utilities	8,857		8,857		8,857
19. Office Supplies	2,762	(116)	2,646		2,646
20. Nonprogram	0		0		0
21. Other (Specify) Medical Billing	0		0		0
22. Dietary	24,346	(194)	24,152		24,152
23. Home Rep & Maint	10,499		10,499		10,499
24. Personal Care	20,247	(231)	20,016		20,016
25. Consulting Costs	25,265		25,265		25,265
26. Day Program	0		0		0
27. Bank Fees	186		186		186
28. Dues & Publications	200		200		200
29. Education & Seminars	729	(250)	479		479
30. Banquet Costs	0		0		0
31. Gifts	0		0		0
32. Quality Assurance Fees	0		0		0
33. Advertising	759		759		759
34. Charitable Contributions	0		0		0
TOTAL EXPENSES	\$336,139	(\$89,248)	\$246,891	\$0	\$246,891
				(To Sch 4)	(To Sch 3)

Provider Name				Fiscal Period				Provider NPI		Adjustments
ANTELOPE HILLS MANOR ICF/DDN INC.				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				N/A		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col				
ADJUSTMENTS TO REPORTED COSTS										
1	2	1	6	5	1	3	Salaries - Officers To eliminate owner bonuses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$127,700	(\$21,989)	\$105,711
2	2	2	6	5	2	3	Salaries - Other To eliminate reported salary expense for provider's daughter, a related party, due to insufficient documentation of services actually performed or that the amount reported was necessary, reasonable, or related to patient care. 42 CFR 413.17, 413.20, and 413.24 CMS Pub 15-1, Sections 900, 901, 902.3, 902.4, 1005, 2102.2, 2300, 2304, and 2304.1	\$14,932	(\$14,932)	\$0
3	2	4	6	5	4	3	Employee Benefits To eliminate dental and medical expenses due to lack of documentation that the expenses are related to patient care. 42 CFR 413.9, 413.20, and 413.24 CMS Pub. 15-1, Sections 2104.4, 2102.3, 2300, and 2304 W&I Code 14124.2(b)	\$6,002	(\$970)	\$5,032
4	2	5	6	5	5	3	Travel To eliminate travel expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$941	(\$929)	\$12
5	2	7	6	5	7	3	Automobile To reconcile the reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$15,665	(\$3,566)	\$12,099 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments	
ANTELOPE HILLS MANOR ICF/DDN INC.				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				N/A		15	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS											
6	2	7	6	5	7	3	Automobile To eliminate automobile expenses due to lack of documentation that the expense was related to patient care. 42 CFR 413.20, 413.24, and 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2300, and 2304 W&I Code 14124.2(b)	*	\$12,099	(\$12,099)	\$0
7	2	12	6	5	12	3	Interest - Mortgages To eliminate interest expenses already included at the facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304		\$27,264	(\$27,264)	\$0
8	2	14	6	5	14	3	Taxes and Licenses To eliminate Franchise Tax Board expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		\$1,156	(\$759)	\$397
9	2	15	6	5	15	3	Legal and Accounting To eliminate legal expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		\$8,695	(\$300)	\$8,395
10	2	16	6	5	16	3	Insurance To reconcile the reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$10,297	(\$5,649)	\$4,648
11	2	19	6	5	19	3	Office Supplies To eliminate alcohol and personal expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3 W&I Code 14124.2(b)		\$2,762	(\$116)	\$2,646

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
ANTELOPE HILLS MANOR ICF/DDN INC.				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				N/A		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
12	2	22	6	5	22	3	Dietary To eliminate alcohol and personal expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3 W&I Code 14124.2(b)	\$24,346	(\$194)	\$24,152
13	2	24	6	5	24	3	Personal Care To eliminate personal expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3 W&I Code 14124.2(b)	\$20,247	(\$231)	\$20,016
14	2	29	6	5	29	3	Education and Seminars To eliminate education and seminars expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$729	(\$250)	\$479

Provider Name				Fiscal Period				Provider NPI		Adjustments
ANTELOPE HILLS MANOR ICF/DDN INC.				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				N/A		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>ADJUSTMENT TO REPORTED DIRECT COSTS</u>										
15	6	1	3	4	1	7	Antelope Hills Manor ICF/DDN	\$218,935	(\$218,935)	\$0
	6	2	3	4	2	7	Klamath Home ICF/DDN	188,322	(188,322)	0
	6	3	3	4	3	7	Tullia Place ICF/DDN	121,028	(121,028)	0
							To eliminate home office direct expense, already included in the facility cost report, that is a duplication of cost and not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3			