

**REPORT
ON THE
HOME OFFICE AUDIT**

**SOUTH VALLEY CARE HOMES, INC.- REDDING
REDDING, 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: Kelly Ostrom
Auditor: David Pereira**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 21, 2013

Diane Wood
Office Coordinator
South Valley Care Homes
5810 Obata Way, Suite 1
Gilroy, CA 95020

SOUTH VALLEY CARE HOMES, INC. - REDDING
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 Comparison of Reported and Audited Home Office Cost 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. Comparison of Reported and Audited Home Office Cost 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.

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

Original Signed By

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

Certified

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COMPARISON OF REPORTED AND AUDITED
HOME OFFICE COST

HOME OFFICE:

SOUTH VALLEY CARE HOMES INC. - REDDING

FISCAL PERIOD ENDED:

DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI 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.	Riverpark ICF/DD-H	1447427406	12/31/11	\$96,469	\$1,069	(\$95,400)
2.	Shadowrun ICF/DD-H	1588830657	12/31/11	105,733	1,171	(104,562)
3.					0	0
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

\$202,202 \$2,240 (\$199,962)

SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:
SOUTH VALLEY CARE HOMES INC. - REDDING

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI 2	FISCAL YEAR END 3	DIRECT EXPENSES 4	POOLED EXPENSES 5	TOTAL DIRECT & POOLED FACILITY EXPENSE 6
			(From Sch 4)	(From Sch 3)	(Col 4 + Col 5)
1. Riverpark ICF/DD-H	1447427406	12/31/11	\$0	\$1,069	\$1,069
2. Shadowrun ICF/DD-H	1588830657	12/31/11	0	1,171	1,171
3.			0	0	0
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	\$2,240	\$2,240
			(To Sch 1)		

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:
SOUTH VALLEY CARE HOMES INC. - REDDING

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY	Allocation Statistics Base: Accumulated Cost 1	Percent 2	Allocation Pool Expenses 3
Program Services (Adj)	\$202,201	100.0000%	\$2,240
Nonprogram Services (Adj)		0.0000%	0
TOTAL	\$202,201	100.0000%	\$2,240

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	PROVIDER NPI	Audit Adjustment	Allocation Statistic: (specify)	Allocated Pool Expense (Col 2 X UCM)
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1. Riverpark ICF/DD-H	1447427406		1,989	\$1,069
2. Shadowrun ICF/DD-H	1588830657		2,180	1,171
3.				0
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

4,169	\$2,240
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(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	0.537299
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:
SOUTH VALLEY CARE HOMES INC. - REDDING

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			specify expense 3	specify expense 4	specify expense 5	specify expense 6	
			(Adj)	(Adj)	(Adj)	(Adj)	
			(Adj)	(Adj)	(Adj)	(Adj)	
1. Riverpark ICF/DD-H	1447427406	\$0	\$0	\$0	\$0	\$0	\$0
2. Shadowrun ICF/DD-H	1588830657	0	0	0	0	0	0
3.		0	0	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			\$0	\$0	\$0	\$0	\$0

(To Sch 2)

STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:
SOUTH VALLEY CARE HOMES INC. - REDDINGFISCAL PERIOD ENDED:
DECEMBER 31, 2011

ACCOUNT DESCRIPTION 1	REPORTED COSTS 2	COST AUDIT ADJUSTMENTS 3	AUDITED COSTS 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adj) (Adj 1-7)	(Col 2 + Col 3)	(Adj) (Adj)	(Col 4 - Col 5)
1. Property Taxes	\$180	(\$180)	\$0		\$0
2. Home Operations and Maintenance	5,580	(5,580)	0		0
3. Utilities	663	1,577	2,240		2,240
4. Client Transportation	2,784	(2,784)	0		0
5. QMRP Salaries	72,776	(72,776)	0		0
6. QMRP Benefits	6,203	(6,203)	0		0
7. Lead Salaries	1,405	(1,405)	0		0
8. Lead Benefits	2	(2)	0		0
9. Aides Salaries	1,605	(1,605)	0		0
10. Aides Benefits	92	(92)	0		0
11. Registered Nurse	68,719	(68,719)	0		0
12. Other Consultants	15,143	(15,143)	0		0
13. Administrative Salary	18,814	(18,814)	0		0
14. Administrative Benefits	1,065	(1,065)	0		0
15. Other General & Administrative	7,170	(7,170)	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
26.			0		0
27.			0		0
28.			0		0
29.			0		0
30.			0		0
31.			0		0
32.			0		0
33.			0		0
34.			0		0
TOTAL EXPENSES	\$202,201	(\$199,961)	\$2,240	\$0	\$2,240
				(To Sch 4)	(To Sch 3)

Provider Name							Fiscal Period	Provider NPI		Adjustments
SOUTH VALLEY CARE HOMES INC. - REDDING							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	N/A		7
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
ADJUSTMENTS TO REPORTED POOLED COSTS										
1	2	1	6	5	1.00	3	Property Taxes To eliminate property taxes expense due to lack of documentatio 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)	\$180	(\$180)	\$0
2	2	2	6	5	2.00	3	Home Operations and Maintenance To eliminate home operations and maintenance expenses due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)	\$5,580	(\$5,580)	\$0
3	2	3	6	5	3.00	3	Utilities To eliminate home utility expenses due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)	\$663	(\$636)	\$27 *
4	2	3	6	5	3.00	3	Utilities	(\$636)	\$2,213	\$1,577
	2	5	6	5	5.00	3	QMRP Salaries	72,776	(59,950)	12,826 *
	2	6	6	5	6.00	3	QMRP Benefits	6,203	(6,203)	0
	2	7	6	5	7.00	3	Lead Salaries	1,405	(1,405)	0
	2	8	6	5	8.00	3	Lead Benefits	2	(2)	0
	2	9	6	5	9.00	3	Aides Salaries	1,605	450	2,055 *
	2	10	6	5	10.00	3	Aides Benefits	92	(58)	34 *
	2	11	6	5	11.00	3	Registered Nurse	68,719	(60,111)	8,608 *
	2	12	6	5	12.00	3	Other Consultants	15,143	(15,143)	0
	2	13	6	5	13.00	3	Administrative Salary	18,814	(7,471)	11,343 *
	2	14	6	5	14.00	3	Administrative Benefits	1,065	(1,065)	0
	2	15	6	5	15.00	3	Other General and Administrative To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	7,170	1,674	8,844 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
SOUTH VALLEY CARE HOMES INC. - REDDING							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	N/A		7	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col					
<u>ADJUSTMENTS TO REPORTED POOLED COSTS</u>											
5	2	4	6	5	4.00	3	Client Transportation To eliminate client transportation expenses due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)	\$2,784	(\$2,784)	\$0	
6	2	5	6	5	5.00	3	QMRP Salaries	*	(\$59,950)	(\$12,826)	(\$72,776)
	2	9	6	5	9.00	3	Aides Salaries	*	450	(2,055)	(1,605)
	2	10	6	5	10.00	3	Aides Benefits	*	(58)	(34)	(92)
	2	11	6	5	11.00	3	Registered Nurse	*	(60,111)	(8,608)	(68,719)
	2	13	6	5	13.00	3	Administrative Salary To eliminate salary and benefit expenses in conjunction with adjustments at the Shadowrun facility that directly assign the employee's salaries and benefits. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2150.3	*	(7,471)	(11,343)	(18,814)
7	2	15	6	5	15.00	3	Other General and Administrative To eliminate other general and administrative expenses due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)	*	\$1,674	(\$8,844)	(\$7,170)

*Balance carried forward from prior/to subsequent adjustments