

**REPORT
ON THE
RATE SETTING AUDIT**

**HARBOR VILLAGE IV
COSTA MESA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1851463483**

**FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Lynsey Ly**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: December 06, 2012

P. Dennis Mattson, President
Independent Options, Inc.
391 Corporate Terrace Circle, Suite 102
Corona, CA 92879

HARBOR VILLAGE IV
NATIONAL PROVIDER IDENTIFIER (NPI) 1851463483
FISCAL PERIOD ENDED JUNE 30, 2011

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	\$	332,892	\$ 152.01
Net Audit Adjustment		<u>0</u>	<u>0</u>
Audited Cost/Cost Per Day	\$	<u>332,892</u>	\$ <u>152.01</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

P. Dennis Mattson
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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
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(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

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
(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:
HARBOR VILLAGE IV

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1851463483

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 2)	2,190	0
2. Medi-Cal Managed Care Days (Adj 1)	0	2,190
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>332,892</u>	\$ <u>332,892</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>152.01</u>	\$ <u>152.01</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:
HARBOR VILLAGE IV

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1851463483

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		\$ 667	\$	\$ 667
050	Leases and Rentals		25,776		25,776
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 26,443	\$ 0	\$ 26,443
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,443	\$	\$ 3,443
085	Utilities		2,723		2,723
090	Client Transportation (excluding Adult Day Services)		5,447		5,447
095	Dietary		11,415		11,415
100	Personal Care and Laundry		2,966		2,966
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,994	\$ 0	\$ 25,994
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 52,437	\$ 0	\$ 52,437
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,836	\$	\$ 17,836
120	QMRP Fringe Benefits		1,528		1,528
125	Lead Salaries		23,771		23,771
130	Lead Fringe Benefits		1,975		1,975
135	Aides Salaries		91,126		91,126
140	Aides Fringe Benefits		9,886		9,886
145	Other Salaries		12,918		12,918
150	Other Fringe Benefits		1,087		1,087
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 160,127	\$ 0	\$ 160,127

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HARBOR VILLAGE IV

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1851463483

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 640	\$	\$ 640
165	Speech Pathology Consultant		1,440		1,440
170	Physical Therapy Consultant		1,080		1,080
175	Occupational Therapy Consultant		2,160		2,160
180	Pharmacist Consultant		380		380
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,640		2,640
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,340	\$ 0	\$ 8,340
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		19,202		19,202
230	Other General and Administrative*** (Excluding Adult Day Services)		92,786		92,786
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 111,988	\$ 0	\$ 111,988
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 332,892	\$ 0	\$ 332,892
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 332,892	\$ 0	\$ 332,892

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** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name		Fiscal Period				Provider NPI		Adjustments	
HARBOR VILLAGE IV		JULY 1, 2010 THROUGH JUNE 30, 2011				1851463483		2	
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Sch.	Col.					
1	N/A	N/A	N/A	1	2	N/A	0	2,190	2,190
<p style="text-align: center;">ADJUSTMENTS TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Managed Care Days To include Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304</p>									
2	2	3	1	1	1	N/A	2,190	(2,190)	0
<p>Medi-Cal Client Days To adjust reported Medi-Cal Client days based on the following Fiscal Intermediary Payment Data: Service Period: July 31, 2010 through June 30, 2011 Payment Period: July 01, 2010 through June 30, 2012 Report Date: August 03, 2012 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541</p>									