

**REPORT
ON THE
RATE SETTING AUDIT**

**HUCKABEE HOUSE
DESERT HOT SPRINGS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1487791224**

**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: Stan Van Arsdale
Auditor: Sandra Hy**



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



EDMUND G. BROWN JR.
GOVERNOR

December 6, 2012

David Thornton, Administrator
Angel View Crippled Children's Foundation Inc.
12379 Miracle Hill Road
Desert Hot Springs, CA 92240

PROVIDER: HUCKABEE HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI): 1487791224
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	\$	573,864	\$ 264.33
Net Audit Adjustment		<u>(2,679)</u>	<u>(3.51)</u>
Audited Cost/Cost Per Day	\$	<u>571,185</u>	\$ <u>267.84</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$3,919 which resulted from Medi-Cal overpayments

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.

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.

David Thornton
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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:
HUCKABEE HOUSE

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

Provider NPI:
1487791224

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 4)	2,171	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,171</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>573,864</u>	\$ <u>571,185</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>264.33</u>	\$ <u>260.82</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 (Adjs 5,6)	\$ <u>0</u>	\$ <u>(3,919)</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>(3,919)</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HUCKABEE HOUSE

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

Provider NPI:
1487791224

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		\$ 12,056	\$	\$ 12,056
050	Leases and Rentals				0
055	Real Property Taxes		52		52
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		2,100		2,100
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 14,208	\$ 0	\$ 14,208
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3	\$ 11,644	\$ (1,175)	\$ 10,469
085	Utilities		18,662		18,662
090	Client Transportation (excluding Adult Day Services)		899		899
095	Dietary		32,642		32,642
100	Personal Care and Laundry	1	14,221	(709)	13,512
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 78,068	\$ (1,884)	\$ 76,184
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 92,276	\$ (1,884)	\$ 90,392
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 21,400	\$	\$ 21,400
120	QMRP Fringe Benefits		6,196		6,196
125	Lead Salaries		36,048		36,048
130	Lead Fringe Benefits		10,438		10,438
135	Aides Salaries		137,665		137,665
140	Aides Fringe Benefits		39,862		39,862
145	Other Salaries		70,680		70,680
150	Other Fringe Benefits		20,466		20,466
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 342,755	\$ 0	\$ 342,755

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HUCKABEE HOUSE

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

Provider NPI:
1487791224

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,590	\$	\$ 1,590
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		3,200		3,200
175	Occupational Therapy Consultant		2,370		2,370
180	Pharmacist Consultant		798		798
185	Nurse Consultant		2,980		2,980
190	Psychologist Consultant		1,212		1,212
195	Physician Consultant		4,599		4,599
200	Recreational Consultant		578		578
205	Social Service Consultant				0
210	Other Consultant		1,133		1,133
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,460	\$ 0	\$ 18,460
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,734		22,734
230	Other General and Administrative*** Adult Day Services) (Excluding	2	97,639	(795)	96,844
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 120,373	\$ (795)	\$ 119,578
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 573,864	\$ (2,679)	\$ 571,185
NON-CLIENT CARE EXPENSES			(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 573,864	\$ (2,679)	\$ 571,185

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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		
HUCKABEE HOUSE		JULY 1, 2010 THROUGH JUNE 30, 2011				1487791224				
Adj. No.	MC530 Page or Exhibit	Report References			Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Line	Col.						
ADJUSTMENTS TO REPORTED COSTS										
1	4	100	4	2	100		Personal Care and Laundry To eliminate legend drugs not included in the routine rate CCR, Title 22, Section 51510.3 (b) (4) (k)	\$14,221	(\$709)	\$13,512
2	4.1	230	4	2	230		Other Administrative and General To eliminate legend drugs not included in the routine rate. CCR, Title 22, Section 51510.3 (b) (4) (k)	\$97,639	(\$795)	\$96,844
3	4	80	4	2	80		Home Operations and Maintenance To eliminate repairs expense that does is not belong to the audited facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$11,644	(\$1,175)	\$10,469

Provider Name		Fiscal Period		Provider NPI		Adjustments				
HUCKABEE HOUSE		JULY 1, 2010 THROUGH JUNE 30, 2011		1487791224		6				
Adj. No.	MC530 Page or Exhibit	Report References			Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Sch.	Col.						
4	2	3	1	1			ADJUSTMENT TO REPORTED PATIENT DAYS	2,171	19	2,190
Total Days										
To adjust the reported patient days to the detail census report. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										

Provider Name		Fiscal Period				Provider NPI		Adjustments	
HUCKABEE HOUSE		JULY 1, 2010 THROUGH JUNE 30, 2011				1487791224		6	
Adj. No.	MC530 Page or Exhibit	Report References			Line	Sub No	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Sch.	Col.					
5	N/A		1				\$0	\$3,814	\$3,814 *
Overpayments To recover overpayments for nonallowable bedhold days. 42 CFR 433.139, 413.20 and 413.24 and 431.07 CMS Pub. 15-1, Section 2409 CCR, Title 22, Section 51458.1									
6	N/A		1				\$3,814	\$105	\$3,919
Overpayments To recover overpayment for raw food related to bedhold days. 42 CFR 433.139, 413.20 and 413.24 and 431.07 CMS Pub. 15-1, Section 2409 CCR, Title 22, Section 51458.1									

ADJUSTMENTS TO OTHER MATTERS

*Balance carried forward from prior/to subsequent adjustments