

**REPORT
ON THE
RATE SETTING AUDIT**

**SFVAR – NEW HORIZONS (15859)
NORTH HILLS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1124247333**

**FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Allen Dervi
Auditor: Christine Sprouse**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

September 17, 2012

Diane Thorsell
Chief Financial Officer
San Fernando Valley Association for the Retarded, Inc. - New Horizons
15725 Parthenia Street
North Hills, CA 91343

SFVAR – NEW HORIZONS (15859)
NATIONAL PROVIDER IDENTIFIER (NPI) 1124247333
FISCAL PERIOD ENDED JUNE 30, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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, patient days, and use of share of cost 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	\$	371,798	\$ 169.77
Net Audit Adjustment		(7,960)	2.67
Audited Cost/Cost Per Day	\$	<u>363,838</u>	\$ <u>172.44</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 Fee-For-Service Rates Development Division.

Diane Thorsell
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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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:

SFVAR - NEW HORIZONS (15859)

Fiscal Period:

JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:

1124247333

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 4)	2,190	2,110
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,110</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>371,798</u>	\$ <u>363,838</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>169.77</u>	\$ <u>172.44</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 5)	\$ <u>0</u>	\$ <u>4,180</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:
SFVAR - NEW HORIZONS (15859)

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

Provider NPI:
1124247333

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		\$ 4,777	\$ 0	\$ 4,777
050	Leases and Rentals		0	0	0
055	Real Property Taxes		590	0	590
060	Personal Property Taxes		0	0	0
065	Mortgage Interest		0	0	0
070	Property Insurance		2,445	0	2,445
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 7,812	\$ 0	\$ 7,812
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 16,552	\$ 0	\$ 16,552
085	Utilities		5,963	0	5,963
090	Client Transportation (excluding Adult Day Services)		4,854	0	4,854
095	Dietary		19,724	0	19,724
100	Personal Care and Laundry		4,984	0	4,984
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 52,077	\$ 0	\$ 52,077
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 59,889	\$ 0	\$ 59,889
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 25,209	\$ 0	\$ 25,209
120	QMRP Fringe Benefits		7,166	0	7,166
125	Lead Salaries	2 and 3	30,292	(7,960)	22,332
130	Lead Fringe Benefits		8,611	0	8,611
135	Aides Salaries		96,975	0	96,975
140	Aides Fringe Benefits		27,565	0	27,565
145	Other Salaries		0	0	0
150	Other Fringe Benefits		0	0	0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 195,818	\$ (7,960)	\$ 187,858

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SFVAR - NEW HORIZONS (15859)

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

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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		\$ 1,566	\$ 0	\$ 1,566
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		2,204	0	2,204
180	Pharmacist Consultant		62	0	62
185	Nurse Consultant	1	3,704	(2,100)	1,604
190	Psychologist Consultant		1,896	0	1,896
195	Physician Consultant	1	200	2,100	2,300
200	Recreational Consultant		0	0	0
205	Social Service Consultant		606	0	606
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,238	\$ 0	\$ 10,238
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 23,075	\$ 0	\$ 23,075
225	Administrative Fringe Benefits		6,559	0	6,559
226	Quality Assurance Fees (excluding Adult Day Services)		20,873	0	20,873
230	Other General and Administrative*** (Excluding Adult Day Services)		55,346	0	55,346
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 105,853	\$ 0	\$ 105,853
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 371,798	\$ (7,960)	\$ 363,838
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$ 0	\$ 0
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 371,798	\$ (7,960)	\$ 363,838

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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		
SFVAR - NEW HORIZONS (15859)		JULY 1, 2010 THROUGH JUNE 30, 2011		1124247333		5		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Line	Col.			
1	4.1	185	4	2	185	N/A	\$3,704	\$1,604
	4.1	195	4	2	195	N/A	200	2,300
<p style="text-align: center;">RECLASSIFICATION OF REPORTED COSTS</p> <p>Nurse Consultant Physician Consultant To reclassify physician consultant expense to the appropriate co-center for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8</p>								

Provider Name		Fiscal Period		Provider NPI		Adjustments		
SFVAR - NEW HORIZONS (15859)		JULY 1, 2010 THROUGH JUNE 30, 2011		1124247333		5		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.	Line			
4	2	3	4	1	1	2,190	(80)	2,110
<p style="text-align: center;">ADJUSTMENT TO REPORTED CLIENT DAYS</p> <p>Total Client Days To adjust total client days to agree with the provider's client census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304</p>								

Provider Name		Fiscal Period		Provider NPI		Adjustments					
SFVAR - NEW HORIZONS (15859)		JULY 1, 2010 THROUGH JUNE 30, 2011		1124247333		5					
Adj. No.	Report References			Line	Sch.	Col.	Audit Report	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Line	Col.								
5	Not Reported	1	1	1	N/A	Share of Cost			\$0	\$4,180	\$4,180
						To reflect the Share of Cost that was not properly deducted from the amount billed.					
						42 CFR 413.5 and 413.20					
						CMS Pub. 15-1, Sections 2300 and 2409					
						CCR, Title 22, Sections 50786 and 51458.1					