

**REPORT
ON THE
RATE SETTING AUDIT**

**MOUNTAIN HOME
CLAREMONT, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1215143060**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Lucia Martinez
Auditor: Richard Cruz**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 19, 2013

Richard Carlson, Administrator
Mountain Home
P.O. Box 6086
Irvine, CA 92616

MOUNTAIN HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1215143060
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	320,016	\$ 146.13
Net Audit Adjustment		<u>(20,122)</u>	<u>(9.19)</u>
Audited Cost/Cost Per Day	\$	<u>299,894</u>	\$ <u>136.94</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 \$766, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status.

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.

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.

Administrator
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If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

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

Provider:
MOUNTAIN HOME

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1215143060

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>320,016</u>	\$ <u>299,894</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>146.13</u>	\$ <u>136.94</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 16)	\$ <u>NA</u>	\$ <u>(766)</u>
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OVERPAYMENTS

1. Duplicate Payments (Adj)	\$ <u> </u>	\$ <u> 0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u> 0</u>
3. Total Overpayments	\$ <u> 0</u>	\$ <u> 0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN HOME

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1215143060

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		\$	\$	\$ 0
050	Leases and Rentals				0
055	Real Property Taxes		3,050		3,050
060	Personal Property Taxes				0
065	Mortgage Interest		4,700		4,700
070	Property Insurance	1	4,852	(4,021)	831
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 12,602	\$ (4,021)	\$ 8,581
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2, 5	\$ 7,237	\$ (777)	\$ 6,460
085	Utilities	2, 6, 7	10,716	(750)	9,966
090	Client Transportation (excluding Adult Day Services)	8 - 10	6,814	(1,424)	5,390
095	Dietary	3, 11	19,975	(3,578)	16,397
100	Personal Care and Laundry	4, 12	3,214	(497)	2,717
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 47,956	\$ (7,026)	\$ 40,930
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 60,558	\$ (11,047)	\$ 49,511
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries	13	25,004	(12,710)	12,294
130	Lead Fringe Benefits	13	6,113	(2,195)	3,918
135	Aides Salaries	13	104,949	17,432	122,381
140	Aides Fringe Benefits	13	25,779	(1,367)	24,412
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 161,845	\$ 1,160	\$ 163,005

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN HOME

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1215143060

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,099	\$	\$ 1,099
165	Speech Pathology Consultant		2,130		2,130
170	Physical Therapy Consultant		696		696
175	Occupational Therapy Consultant		1,120		1,120
180	Pharmacist Consultant		720		720
185	Nurse Consultant		8,160		8,160
190	Psychologist Consultant	14	3,120	(3,120)	0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		3,325		3,325
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 20,370	\$ (3,120)	\$ 17,250
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	13	\$ 38,238	\$ (3,757)	\$ 34,481
225	Administrative Fringe Benefits	13	5,795	(3,502)	2,293
226	Quality Assurance Fees (excluding Adult Day Services)	13	13,613	1,952	15,565
230	Other General and Administrative*** (excluding Adult Day Services)	1, 3, 4, 13, 15	19,597	(1,808)	17,789
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 77,243	\$ (7,115)	\$ 70,128
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 320,016	\$ (20,122)	\$ 299,894
	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)		\$ 320,016	\$ (20,122)	\$ 299,894

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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	
MOUNTAIN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215143060	16	
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				
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>										
1	4	070	4	2	070	3	Property Insurance	\$4,852	(\$4,021)	\$831
	4.1	230	4	2	230	3	Other General and Administrative To reclassify general and professional liability insurance expense to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304	19,597	4,021	23,618 *
2	4	080	4	2	080	3	Home Operations and Maintenance	\$7,237	\$243	\$7,480 *
	4	085	4	2	085	3	Utilities To reclassify curtains expenses to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304	10,716	(243)	10,473 *
3	4	095	4	2	095	3	Dietary	\$19,975	(\$160)	\$19,815 *
	4.1	230	4	2	230	3	Other General and Administrative To reclassify the purchase of administrative items to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304	* 23,618	160	23,778 *
4	4	100	4	2	100	3	Personal Care and Laundry	\$3,214	(\$359)	\$2,855 *
	4.1	230	4	2	230	3	Other General and Administrative To reclassify the purchase of an office chair to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304	* 23,778	359	24,137 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
MOUNTAIN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215143060	16		
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 COSTS</u>											
5	4	080	4	2	080	3	Home Operations and Maintenance To eliminate repairs and maintenance 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)	*	\$7,480	(\$1,020)	\$6,460
		085	4	2	085	3	Utilities	*	\$10,473		
6							To eliminate television cable 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)			(\$238)	
4											
7							To eliminate telephone 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)			(269) (\$507)	\$9,966
		090	4	2	090	3	Client Transportation		\$6,814		
8							To adjust automobile registration expense to agree with the DMV Registration Card. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			\$39	
4											
9							To eliminate mileage 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)			(1,377) (\$1,338)	\$5,476 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
MOUNTAIN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215143060		16	
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					
ADJUSTMENTS TO REPORTED COSTS											
10	4	090	4	2	090	3	Client Transportation To adjust automobile insurance expense to agree with the provider's insurance policy. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$5,476	(\$86)	\$5,390
11	4	095	4	2	095	3	Dietary To eliminate food 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)	*	\$19,815	(\$3,418)	\$16,397
12	4	100	4	2	100	3	Personal Care and Laundry To eliminate health supply 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)	*	\$2,855	(\$138)	\$2,717
13	4.1	125	4	2	125	3	Lead Salaries		\$25,004	(\$12,710)	\$12,294
	4.1	130	4	2	130	3	Lead Fringe Benefits		6,113	(2,195)	3,918
	4.1	135	4	2	135	3	Aides Salaries		104,949	17,432	122,381
	4.1	140	4	2	140	3	Aides Fringe Benefits		25,779	(1,367)	24,412
	4.1	220	4	2	220	3	Administrative Salaries		38,238	(3,757)	34,481
	4.1	225	4	2	225	3	Administrative Fringe Benefits		5,795	(3,502)	2,293
	4.1	226	4	2	226	3	Quality Assurance Fees		13,613	1,952	15,565
	4.1	230	4	2	230	3	Other General and Administrative To reconcile the reported expenses to agree with the provider's trial balance. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	24,137	(4,852)	19,285 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
MOUNTAIN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1215143060		16
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				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
14	4.1	190	4	2	190	3	Psychologist Consultant To adjust Psychologist Consultant expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306	\$3,120	(\$3,120)	\$0
15	4.1	230	4	2	230	3	Other General and Administrative To eliminate various administrative items 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)	* \$19,285	(\$1,496)	\$17,789

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
MOUNTAIN HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1215143060		16
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				
<u>ADJUSTMENT TO OTHER MATTERS</u>										
16	N/A			1	1		Share of Cost To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed and for insufficient documentation. 42 CFR 413.5, 413.20, and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2409 CCR, Title 22, Sections 50786 and 51458.1	\$0	\$766	\$766