

**REPORT
ON THE
RATE SETTING AUDIT**

**MOUNTAIN SHADOWS COMMUNITY HOMES—OLIVE
ESCONDIDO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1396894291**

**FISCAL PERIOD
SEPTEMBER 1, 2011 THROUGH DECEMBER 31, 2011**

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

**Section Chief: Patricia M. Fox
Audit Supervisor: Sergio Gonzalez
Auditor: Angelica R. Aguilar**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 26, 2013

Wade Wilde
Executive Director
Mountain Shadows Support Group
970 Los Vallecitos Boulevard, Suite 240
San Marcos, CA 92069

MOUNTAIN SHADOWS COMMUNITY HOMES—OLIVE
NATIONAL PROVIDER IDENTIFIER (NPI) 1396894291
FISCAL PERIOD SEPTEMBER 1, 2011 THROUGH 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, 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	\$	297,828	\$ 249.86
Net Audit Adjustment		<u>1</u>	<u>(28.59)</u>
Audited Cost/Cost Per Day	\$	<u>297,829</u>	\$ <u>221.27</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.

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—San Diego at (619) 688-3200.

Originally signed by:

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

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

Provider:

MOUNTAIN SHADOWS COMMUNITY HOMES—OLIVE

Fiscal Period:

SEPTEMBER 1, 2011 THROUGH DECEMBER 31, 2011

NPI:

1396894291

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 1)	1,190	1,344
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	2	2
4. Total Client Days	<u>1,192</u>	<u>1,346</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>297,828</u>	\$ <u>297,829</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>249.86</u>	\$ <u>221.27</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>N/A</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:
MOUNTAIN SHADOWS COMMUNITY HOMES—OLIVE

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

NPI:
1396894291

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		\$ 2,868	\$	\$ 2,868
050	Leases and Rentals		0		0
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)		\$ 2,868	\$ 0	\$ 2,868
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 2,727	\$	\$ 2,727
085	Utilities		4,204		4,204
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		14,448		14,448
100	Personal Care and Laundry		8,033		8,033
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 29,412	\$ 0	\$ 29,412
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 32,280	\$ 0	\$ 32,280
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 11,841	\$	\$ 11,841
120	QMRP Fringe Benefits		1,423		1,423
125	Lead Salaries		24,065		24,065
130	Lead Fringe Benefits		5,761		5,761
135	Aides Salaries		99,901		99,901
140	Aides Fringe Benefits		23,917		23,917
145	Other Salaries		18,829		18,829
150	Other Fringe Benefits		3,338		3,338
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 189,075	\$ 0	\$ 189,075

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS COMMUNITY HOMES—OLIVE

Fiscal Period:
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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		\$ 600	\$	\$ 600
165	Speech Pathology Consultant		920		920
170	Physical Therapy Consultant		1,450		1,450
175	Occupational Therapy Consultant		1,128		1,128
180	Pharmacist Consultant		79		79
185	Nurse Consultant		0		0
190	Psychologist Consultant		131		131
195	Physician Consultant		644		644
200	Recreational Consultant		759		759
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)	*	\$ 5,710	\$ 0	\$ 5,711
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 7,894	\$	\$ 7,894
225	Administrative Fringe Benefits		949		949
226	Quality Assurance Fees (excluding Adult Day Services)		12,530		12,530
230	Other General and Administrative (excluding Adult Day Services)		49,390		49,390
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 70,763	\$ 0	\$ 70,763
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 297,828	\$ 0	\$ 297,829
	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)		\$ 297,828	\$ 0	\$ 297,829

* Total does not foot due to the provider's rounding

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Provider Name							Fiscal Period	NPI	Adjustments		
MOUNTAIN SHADOWS COMMUNITY HOMES—OLIVE							SEPTEMBER 1, 2011 THROUGH DECEMBER 31, 2011	1396894291	1		
Report References							Explanation of Audit Adjustment	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col.					
<u>ADJUSTMENT TO REPORTED CLIENT DAYS</u>											
1	2 of 6	3	1	1	1	Medi-Cal Client Days To adjust Medi-Cal client days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	1,190	154	1,344		