

**REPORT
ON THE
RATE SETTING AUDIT**

**SUNBURST CARE CENTER – NORTH HILLS
NORTH HILLS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1811105919**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Aviña
Auditor: Lok Lui**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 5, 2013

Administrator
Sunburst Care Center, Inc.
19684 Los Alimos Street
Chatsworth, CA 91311-1934

SUNBURST CARE CENTER – NORTH HILLS
NATIONAL PROVIDER IDENTIFIER (NPI) 1811105919
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	\$	323,408	\$ 149.45
Net Audit Adjustment		(3,763)	(3.49)
Audited Cost/Cost Per Day	\$	<u>319,645</u>	\$ <u>145.96</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.

Administrator
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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:
SUNBURST CARE CENTER - NORTH HILLS

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

Provider NPI:
1811105919

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 11)	2,164	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,164</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>323,408</u>	\$ <u>319,645</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>149.45</u>	\$ <u>145.96</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:
SUNBURST CARE CENTER - NORTH HILLS

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

Provider NPI:
1811105919

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		\$ 5,550	\$	\$ 5,550
050	Leases and Rentals		0		0
055	Real Property Taxes		3,197		3,197
060	Personal Property Taxes		0		0
065	Mortgage Interest		4,286		4,286
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 13,033	\$ 0	\$ 13,033
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,2	\$ 20,161	\$ (1,727)	\$ 18,434
085	Utilities	3,4,10	5,802	(1,120)	4,682
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary	5	13,213	(537)	12,676
100	Personal Care and Laundry		671		671
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 39,847	\$ (3,384)	\$ 36,463
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 52,880	\$ (3,384)	\$ 49,496
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,900	\$	\$ 17,900
120	QMRP Fringe Benefits		1,628		1,628
125	Lead Salaries		10,090		10,090
130	Lead Fringe Benefits	9	3,064	(39)	3,025
135	Aides Salaries		60,917		60,917
140	Aides Fringe Benefits	9	17,378	(235)	17,143
145	Other Salaries		10,502		10,502
150	Other Fringe Benefits		1,978		1,978
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 123,457	\$ (274)	\$ 123,183

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SUNBURST CARE CENTER - NORTH HILLS

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

Provider NPI:
1811105919

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	7	\$ 777	\$ 60	\$ 837
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant	7	310	(10)	300
175	Occupational Therapy Consultant	7	914	(58)	856
180	Pharmacist Consultant	6,7	1,134	(284)	850
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant	7	133	67	200
205	Social Service Consultant		0		0
210	Other Consultant	7	1,419	304	1,723
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,687	\$ 79	\$ 4,766
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		16,436		16,436
230	Other General and Administrative*** (Excluding Adult Day Services)	8	125,948	(184)	125,764
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 142,384	\$ (184)	\$ 142,200
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 323,408	\$ (3,763)	\$ 319,645
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		144,918		144,918
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 468,326	\$ (3,763)	\$ 464,563

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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
SUNBURST CARE CENTER - NORTH HILLS							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1811105919		11
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				
ADJUSTMENTS TO REPORTED COSTS										
1	4	080	4	2	080	3	Home Operations and Maintenance To adjust home repair expense to reflect proper allocation of cos between houses 42 CFR 413.24 / CMS Pub. 15-1, Sections 2102.1 and 2302.4	\$20,161	(\$159)	\$20,002 *
2	4	080	4	2	080	3	Home Operations and Maintenance To eliminate home repair expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$20,002	(\$1,568)	\$18,434
3	4	085	4	2	085	3	Utilities To adjust sewer service charge 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	\$5,802	(\$34)	\$5,768 *
4	4	085	4	2	085	3	Utilities To eliminate water and power expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$5,768	(\$652)	\$5,116 *
5	4	095	4	2	095	3	Dietary To reconcile the reported dietary expense to agree with invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$13,213	(\$537)	\$12,676
6	4.1	180	4	2	180	3	Pharmacist Consultant To eliminate pharmacy expenses that were not incurred by the provider. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,134	(\$213)	\$921 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments	
SUNBURST CARE CENTER - NORTH HILLS							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1811105919	11	
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>										
7	4.1	160	4	2	160	3	Dietician Consultant	\$777	\$60	\$837
	4.1	170	4	2	170	3	Physical Therapy Consultant	310	(10)	300
	4.1	175	4	2	175	3	Occupational Therapy Consultant	914	(58)	856
	4.1	180	4	2	180	3	Pharmacist Consultant	921	(71)	850
	4.1	200	4	2	200	3	Recreational Consultant	133	67	200
	4.1	210	4	2	210	3	Other Consultant	1,419	304	1,723
							To adjust consultant fee expenses to agree with proper current amounts on invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304			
8	4.1	230	4	2	230	3	Other General and Administrative	\$125,948	(\$184)	\$125,764
							To adjust California Department of Public Health licensing fees expense to agree with invoices excluding late fees. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2105.10, 2300, 2302.1 and 2304			
9	4.1	130	4	2	130	3	Lead Fringe Benefits	\$3,064	(\$39)	\$3,025
	4.1	140	4	2	140	3	Aides Fringe Benefits	17,378	(235)	17,143
							To reconcile the reported expenses to agree with the invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
10	4	085	4	2	085	3	Utilities	\$5,116	(\$434)	\$4,682
							To eliminate home office costs that was included in the cost report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.2, 2150.3 and 2304			

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
SUNBURST CARE CENTER - NORTH HILLS				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1811105919		11
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 REPORTED PATIENT DAYS</u>										
11	2	3	1	1	1	2	Medi-Cal Client Days To adjust total patient days to agree with the paid claim summary report. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	2,164	26	2,190