

**REPORT  
ON THE  
RATE SETTING AUDIT**

**HORRIGAN ENTERPRISES, INC. - KINGSTON HOUSE  
ALTA LOMA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1306995238**

**FISCAL PERIOD ENDED  
MARCH 31, 2011**

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

**Section Chief: Julio M. Cueto  
Audit Supervisor: Virat Shah  
Auditor: Emmanuel Ypil**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

March 15, 2013

Carol Tipton  
Director of Administrative Services  
Horrigan Enterprises, Inc.  
11130 White Birch Drive  
Rancho Cucamonga, CA 91730

HORRIGAN ENTERPRISES, INC. - KINGSTON HOUSE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1306995238  
FISCAL PERIOD ENDED MARCH 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	\$	414,830	\$ 193.30
Net Audit Adjustment		(11)	0
Audited Cost/Cost Per Day	\$	<u>414,819</u>	\$ <u>193.30</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 \$3,886, which resulted from Medi-Cal overpayments
3. Audited Allocation of Home Office Cost

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.

Carol Tipton  
Page 3

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:**  
HORRIGAN ENTERPRISES, INC. - KINGSTON HOUSE

**Fiscal Period:**  
APRIL 1, 2010 THROUGH MARCH 31, 2011

**Provider NPI:**  
1306995238

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,146	2,146
2. Medi-Cal Managed Care Days (Adj )		0
3. Other Client Days (Adj )		0
4. Total Client Days	<u>2,146</u>	<u>2,146</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>414,830</u>	\$ <u>414,819</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>193.30</u>	\$ <u>193.30</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 3)	\$ <u>0</u>	\$ <u>(3,886)</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>(3,886)</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
HORRIGAN ENTERPRISES, INC. - KINGSTON HOUSE

Fiscal Period:  
APRIL 1, 2010 THROUGH MARCH 31, 2011

Provider NPI:  
1306995238

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 8,888	\$	\$ 8,888
050	Leases and Rentals				0
055	Real Property Taxes		2,960		2,960
060	Personal Property Taxes		382		382
065	Mortgage Interest		11,500		11,500
070	Property Insurance	1	1,379	(444)	935
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 25,109	\$ (444)	\$ 24,665
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 5,996	\$	\$ 5,996
085	Utilities		8,178		8,178
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		8,333		8,333
100	Personal Care and Laundry		9,128		9,128
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 31,635	\$ 0	\$ 31,635
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 56,744	\$ (444)	\$ 56,300
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 15,839	\$	\$ 15,839
120	QMRP Fringe Benefits		3,664		3,664
125	Lead Salaries		91,668		91,668
130	Lead Fringe Benefits		21,208		21,208
135	Aides Salaries		86,966		86,966
140	Aides Fringe Benefits		20,120		20,120
145	Other Salaries		20,296		20,296
150	Other Fringe Benefits		5,498		5,498
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 265,259	\$ 0	\$ 265,259

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
HORRIGAN ENTERPRISES, INC. - KINGSTON HOUSE

Fiscal Period:  
APRIL 1, 2010 THROUGH MARCH 31, 2011

Provider NPI:  
1306995238

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,199	\$	\$ 1,199
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,388		2,388
175	Occupational Therapy Consultant		1,375		1,375
180	Pharmacist Consultant		777		777
185	Nurse Consultant				0
190	Psychologist Consultant		1,155		1,155
195	Physician Consultant		3,600		3,600
200	Recreational Consultant		135		135
205	Social Service Consultant				0
210	Other Consultant		20		20
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,649	\$ 0	\$ 10,649
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,442		22,442
230	Other General and Administrative*** (Excluding Adult Day Services)	1,2	59,736	433	60,169
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 82,178	\$ 433	\$ 82,611
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 414,830	\$ (11)	\$ 414,819
	<b>NON-CLIENT CARE EXPENSES</b>		(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)		\$ 414,830	\$ (11)	\$ 414,819

Page 2 of 2

\*\* List only direct administrative salaries incurred at the facility level

\*\*\* List allocated administrative costs on Line 230

Provider Name		Fiscal Period				Provider NPI		Adjustments	
HARRIGAN ENTERPRISES, INC. - KINGSTON HOUSE		APRIL 1, 2010 THROUGH MARCH 31, 2011				1306995238		3	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch.	Line				Col.
1	4	070	4	2	070	3			
	4.1	230	4	2	230	3			
<p style="text-align: center;"><b>RECLASSIFICATION OF REPORTED COSTS</b></p> <p>Property Insurance \$1,379 (\$444) \$935</p> <p>Other General and Administrative 59,736 444 60,180 *</p> <p>To reclassify professional liability insurance expense to the appropriate cost center.</p> <p>42 CFR 413.20 and 413.24</p> <p>CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304</p>									

Provider Name		Fiscal Period				Provider NPI		Adjustments	
HARRIGAN ENTERPRISES, INC. - KINGSTON HOUSE		APRIL 1, 2010 THROUGH MARCH 31, 2011				1306995238		3	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		AS Reported	Increase (Decrease)	AS Adjusted	
		Line	Col.	Line	Col				
2	4.1	230	4	2	230	3	\$60,180	(\$11)	\$60,169
<p style="text-align: center;"><b>ADJUSTMENT TO REPORTED COSTS</b></p> <p>Other General and Administrative *                      To adjust reported home office costs to agree with the Horrigan Enterprises, Inc., Home Office Audit Report for fiscal period ended March 31, 2011.                      42 CFR 413.17 and 413.24                      CMS Pub. 15-1, Sections 2150.2 and 2304</p>									

\*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period				Provider NPI		Adjustments	
HARRIGAN ENTERPRISES, INC. - KINGSTON HOUSE		APRIL 1, 2010 THROUGH MARCH 31, 2011				1306995238		3	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch.	Line				Col.
3	N/A	1	2	2	2	\$0	\$3,886	\$3,886	
<p>Overpayments                      To recover outstanding Medi-Cal credit balances.                      42 CFR 413.20 and 413.24                      CMS Pub. 15-1, Sections 2300 and 2304                      CCR, Title 22, Sections 50761 and 51458.1</p> <p><u>ADJUSTMENT TO OTHER MATTERS</u></p>									