

**REPORT
ON THE
RATE SETTING AUDIT**

**DONNA HOUSE
BEAUMONT, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1851463483**

**FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Lynsey Ly**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: December 06, 2012

P. Dennis Mattson, President
Independent Options, Inc.
391 Corporate Terrace Circle, Suite 102
Corona, CA 92879

DONNA HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1851463483
FISCAL PERIOD ENDED JUNE 30, 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 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	\$	435,175	\$ 208.12
Net Audit Adjustment		(100)	(0.74)
Audited Cost/Cost Per Day	\$	<u>435,075</u>	\$ <u>207.38</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

P. Dennis Mattson
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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—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
DONNA HOUSE

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

Provider NPI:
1851463483

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 2)	2,091	2,098
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,091</u>	<u>2,098</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>435,175</u>	\$ <u>435,075</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>208.12</u>	\$ <u>207.38</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:
DONNA HOUSE

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

Provider NPI:
1851463483

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		\$ 3,823	\$	\$ 3,823
050	Leases and Rentals		28,466		28,466
055	Real Property Taxes		0		0
060	Personal Property Taxes		2,124		2,124
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 34,413	\$ 0	\$ 34,413
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 16,342	\$ (100)	\$ 16,242
085	Utilities		6,854		6,854
090	Client Transportation (excluding Adult Day Services)		6,906		6,906
095	Dietary		7,566		7,566
100	Personal Care and Laundry		2,479		2,479
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 40,147	\$ (100)	\$ 40,047
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 74,560	\$ (100)	\$ 74,460
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 21,900	\$	\$ 21,900
120	QMRP Fringe Benefits		1,748		1,748
125	Lead Salaries		29,871		29,871
130	Lead Fringe Benefits		2,767		2,767
135	Aides Salaries		80,622		80,622
140	Aides Fringe Benefits		9,746		9,746
145	Other Salaries		81,213		81,213
150	Other Fringe Benefits		7,221		7,221
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 235,088	\$ 0	\$ 235,088

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DONNA HOUSE

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

Provider NPI:
1851463483

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,141	\$	\$ 1,141
165	Speech Pathology Consultant		2,880		2,880
170	Physical Therapy Consultant		2,400		2,400
175	Occupational Therapy Consultant		2,400		2,400
180	Pharmacist Consultant		588		588
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,880		2,880
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		1,800		1,800
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,089	\$ 0	\$ 14,089
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		22,847		22,847
230	Other General and Administrative*** (Excluding Adult Day Services)		88,591		88,591
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 111,438	\$ 0	\$ 111,438
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 435,175	\$ (100)	\$ 435,075
	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)		\$ 435,175	\$ (100)	\$ 435,075

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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			
DONNA HOUSE		JULY 1, 2010 THROUGH JUNE 30, 2011		1851463483		2			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Line	Col				
1	4	080	4	2	080	3	\$16,342	(\$100)	\$16,242
<p>Explanation of Audit Adjustments</p> <p>ADJUSTMENT TO REPORTED COSTS</p> <p>Home Operations and Maintenance To eliminate Clinical Lab license registration costs not included in the routine rate. CMS Pub. 15-1, Section 2104.4 CCR, Title 22, 51510.3</p>									

Provider Name		Fiscal Period		Provider NPI		Adjustments		
DONNA HOUSE		JULY 1, 2010 THROUGH JUNE 30, 2011		1851463483		2		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Line	Col			
2	2	3	3	1	1	2,091	7	2,098
<p>Explanation of Audit Adjustments</p> <p>ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Client Days</p> <p>To adjust total patient days to include bedhold days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304</p>								