

**REPORT
ON THE
RATE SETTING AUDIT**

**KLAMATH HOME ICF DDN
ANTELOPE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1205002904**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Steven Gary
Audit Supervisor: Delia Valencia
Auditor: Laura M Langston**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 1, 2013

Antonio Ranit, President
Antelope Hills Manor ICF/DDN Inc.
9500 Littoral Street
Roseville, CA 95747

KLAMATH HOME ICF DDN
NATIONAL PROVIDER IDENTIFIER (NPI) 1205002904
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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	\$	238,614	\$ 109.06
Net Audit Adjustment		<u>97,150</u>	<u>44.26</u>
Audited Cost/Cost Per Day	\$	<u>335,764</u>	\$ <u>153.32</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 \$1,271 which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and

other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement 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.

Antonio Ranit
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If you have questions regarding this report, you may call the Audits Section—
Sacramento at (916) 650-6994.

Original Signed By

Robert G. Kwick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
KLAMATH HOME ICF DDN

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

Provider NPI:
1205002904

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 4)	2,188	2,190
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,188</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>238,614</u>	\$ <u>335,764</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>109.06</u>	\$ <u>153.32</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 5)	\$ <u>NA</u>	\$ <u>1,271</u>
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:
KLAMATH HOME ICF DDN

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

Provider NPI:
1205002904

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		\$ 6,490	\$	\$ 6,490
050	Leases and Rentals				0
055	Real Property Taxes		3,065		3,065
060	Personal Property Taxes				0
065	Mortgage Interest		12,499		12,499
070	Property Insurance	1	249	861	1,110
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 22,303	\$ 861	\$ 23,164
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,094	\$	\$ 4,094
085	Utilities		8,776		8,776
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		9,495		9,495
100	Personal Care and Laundry		7,896		7,896
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 30,261	\$ 0	\$ 30,261
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 52,564	\$ 861	\$ 53,425
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		116,480		116,480
140	Aides Fringe Benefits		22,366		22,366
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 138,846	\$ 0	\$ 138,846

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
KLAMATH HOME ICF DDN

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

Provider NPI:
1205002904

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 659	\$	\$ 659
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		268		268
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		1,102		1,102
185	Nurse Consultant		3,378		3,378
190	Psychologist Consultant				0
195	Physician Consultant		803		803
200	Recreational Consultant		913		913
205	Social Service Consultant				0
210	Other Consultant		129		129
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,252	\$ 0	\$ 7,252
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 2,567	\$	\$ 2,567
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		32,328		32,328
230	Other General and Administrative*** (Excluding Adult Day Services)	2,3	5,057	96,289	101,346
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 39,952	\$ 96,289	\$ 136,241
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 238,614	\$ 97,150	\$ 335,764
	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)		\$ 238,614	\$ 97,150	\$ 335,764

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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	
KLAMATH HOME ICF DDN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1205002904	5	
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	70	4	2	50	Property Insurance To adjust the reported property insurance expense t agree with the provider's records 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$249	\$861	\$1,110	
	4.1	230	4	2	230	Other General and Administrative	\$5,057			
2						To eliminate License and Local Tax expense 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)		(\$140)		
3						To adjust reported home office costs to agree with the Antelope Hills Manor ICF/DDN INC., Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		96,429 \$96,289	\$101,346	

Provider Name							Fiscal Period			Provider NPI		Adjustments
KLAMATH HOME ICF DDN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1205002904		5
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>												
4	2	3		1	1		Patient Days To adjust total patient 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			2,188	2	2,190

Provider Name							Fiscal Period			Provider NPI		Adjustments
KLAMATH HOME ICF DDN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1205002904		5
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>												
5	Not Reported			1	1		Overpayments To recover Medi-Cal overpayments for share of cost due to lack of documentation. 42 CFR 413.20 / CMS Pub. 15-1, Section 2304 CCR, Title 22, Section 51047 / W & I Code 14126.023		\$0	\$1,271	\$1,271	