

**APPEAL RECOMPUTATION  
OF THE  
AUDIT REPORT**

**MISSION HILLS HEALTH CARE, INC.  
SAN DIEGO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1740238047**

**FISCAL PERIOD ENDED  
JANUARY 31, 2011**

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

**Section Chief: Patricia M. Fox  
Audit Supervisor: Woosung Lee  
Auditor: James Conklin**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

February 14, 2014

Patrick Higgins, Administrator  
Mission Hills Health Care, Inc.  
4033 Sixth Avenue Extension  
San Diego, CA 92103

In the Matter of:

MISSION HILLS HEALTH CARE, INC.  
NATIONAL PROVIDER IDENTIFIER (NPI) 1740238047  
FISCAL PERIOD ENDED JANUARY 31, 2011  
CASE NUMBER NF14-0111-331H-AJ

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated January 15, 2014, the following revisions were made to the Medi-Cal audit report dated July 9, 2013

SUMMARY OF REVISIONS

|                               | <u>COST</u>         | <u>COST PER DAY</u> |
|-------------------------------|---------------------|---------------------|
| Audited Cost and Cost Per Day | \$ 4,461,436        | \$ 131.88           |
| Revision                      | <u>0</u>            | <u>0.00</u>         |
| Revised Cost and Cost Per Day | \$ <u>4,461,436</u> | \$ <u>131.88</u>    |

OVERPAYMENTS

|                          |                  |
|--------------------------|------------------|
| Audited Amount Due State | \$ 87,567        |
| Revisions                | <u>(17,704)</u>  |
| Revised Amount Due State | \$ <u>69,863</u> |

Enclosed are the revised schedules detailing the results of the recomputation.

A copy of the final settlement amount is being sent to the fiscal intermediary. This final settlement amount will be incorporated in a Statement of Account Status, which may reflect other financial transactions such as tentative settlement payments, final settlement payments, and/or lump sum rate adjustments. The Statement of Account Status with the amount due the State or owed to the provider (including interest as

Patrick Higgins  
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prescribed by law) will be forwarded to the provider by the fiscal intermediary. Instructions regarding payment, if necessary, will be included with the Statement of Account Status.

**Originally signed by:**

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

cc: Eddie Uppal  
Axiom Healthcare Group  
9534 Topanga Canyon Boulevard  
Chatsworth, CA 91311

## SUMMARY OF REVISED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:  
MISSION HILLS HEALTH CARE, INC.

Fiscal Period:  
FEBRUARY 1, 2010 THROUGH JANUARY 31, 2011

Provider NPI:  
1740238047

OSHPD Facility No.:  
206370747

| Line No.                             | PROGRAM DESCRIPTION   | AS AUDITED      | AS REVISED   | REVISED COST PER PATIENT DAY |
|--------------------------------------|---|-----------------|--------------|------------------------------|
| <b>SKILLED NURSING CARE</b>          |   |                 |              |                              |
| 1                                    | Cost of Direct Care - Labor (Sch. 2, Ln. 105)                               | \$ 2,257,994    | \$ 2,257,994 | \$ 66.75                     |
| 2                                    | Cost of Indirect Care - Labor (Sch. 3, Ln. 105)                             | \$ 606,664      | \$ 606,664   | \$ 17.93                     |
| 3                                    | Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)              | \$ 534,413      | \$ 534,413   | \$ 15.80                     |
| 4                                    | Cost of Capital Related (Sch. 5, Ln. 105)                                   | \$ 166,046      | \$ 166,046   | \$ 4.91                      |
| 5                                    | Property Taxes (Sch. 5, Ln. 105)  | \$ 37,441       | \$ 37,441    | \$ 1.11                      |
| 6                                    | CDPH Licensing Fees (Sch. 6, Ln. 105)                                       | \$ 24,489       | \$ 24,489    | \$ 0.72                      |
| 7                                    | Professional Liability Insurance (Sch. 6, Ln. 105)                          | \$ 62,048       | \$ 62,048    | \$ 1.83                      |
| 8                                    | Caregiver Training (Sch. 6, Ln. 105)  | \$ 0            | \$ 0         | \$ 0.00                      |
| 9                                    | Quality Assurance Fees (Sch. 6, Ln. 105)                                    | \$ 364,841      | \$ 364,841   | \$ 10.78                     |
| 10                                   | Cost of Administration (Sch. 6, Ln. 105)                                    | \$ 407,498      | \$ 407,498   | \$ 12.05                     |
| 11                                   | Cost of Routine Service/REVISED Total Costs                                 | \$ 4,461,436.08 | \$ 4,461,436 | \$ 131.88                    |
| 12                                   | Total Patient Days  | 33,829          | 33,829       |                              |
| 13                                   | Cost Per Patient Day (Cost Divided by Days)                                 | \$ 131.88       | \$ 131.88    |                              |
| 14                                   | Overpayments (Revisions 1, 2)   | \$ 87,567       | \$ 69,863    |                              |
| 15                                   | Medi-Cal Days   | 31,125          | 31,125       |                              |
| 16                                   | Medi-Cal Managed Care Days  |                 | 0            |                              |
| <b>INTERMEDIATE CARE</b>             |   |                 |              |                              |
| 17                                   | Cost of Routine Service (Sch. 2, 3, 4, 5, 6)                                | \$              | \$ 0         |                              |
| 18                                   | Total Patient Days  |                 | 0            |                              |
| 19                                   | Cost Per Patient Day (Cost Divided by Days)                                 | \$ 0.00         | \$ 0.00      |                              |
| 20                                   | Overpayments  | \$              | \$ 0         |                              |
| <b>MENTALLY DISORDERED CARE</b>      |   |                 |              |                              |
| 21                                   | Cost of Routine Service (Sch. 2, 3, 4, 5, 6)                                | \$              | \$ 0         |                              |
| 22                                   | Total Patient Days  |                 | 0            |                              |
| 23                                   | Cost Per Patient Day (Cost Divided by Days)                                 | \$ 0.00         | \$ 0.00      |                              |
| 24                                   | Overpayments  | \$              | \$ 0         |                              |
| <b>DEVELOPMENTALLY DISABLED CARE</b> |   |                 |              |                              |
| 25                                   | Cost of Routine Service (Sch. 2, 3, 4, 5, 6)                                | \$              | \$ 0         |                              |
| 26                                   | Total Patient Days  |                 | 0            |                              |
| 27                                   | Cost Per Patient Day (Cost Divided by Days)                                 | \$ 0.00         | \$ 0.00      |                              |
| 28                                   | Overpayments  | \$              | \$ 0         |                              |
| <b>SUBACUTE CARE</b>                 |   |                 |              |                              |
| 29                                   | Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)                  | \$ N/A          | \$ 0         | \$ 0.00                      |
| 30                                   | Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)                | \$ N/A          | \$ 0         | \$ 0.00                      |
| 31                                   | Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27) | \$ N/A          | \$ 0         | \$ 0.00                      |
| 32                                   | Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)                      | \$ N/A          | \$ 0         | \$ 0.00                      |
| 33                                   | Property Taxes (Subacute Care Sch. 1, Ln. 29)                               | \$ N/A          | \$ 0         | \$ 0.00                      |
| 34                                   | CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)                          | \$ N/A          | \$ 0         | \$ 0.00                      |
| 35                                   | Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)             | \$ N/A          | \$ 0         | \$ 0.00                      |
| 36                                   | Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)                       | \$ N/A          | \$ 0         | \$ 0.00                      |
| 37                                   | Caregiver Training (Subacute Care Sch. 1, Ln. 33)                           | \$ N/A          | \$ 0         | \$ 0.00                      |
| 38                                   | Cost of Administration (Subacute Care Sch. 1, Ln. 34)                       | \$ N/A          | \$ 0         | \$ 0.00                      |
| 39                                   | Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)               | \$ 0            | \$ 0         | \$ 0.00                      |
| 40                                   | Total Patient Days (Subacute Care Sch. 1, Ln. 36)                           | 0               | 0            |                              |
| 41                                   | Cost Per Patient Day (Cost Divided by Days)                                 | \$ 0.00         | \$ 0.00      |                              |
| 42                                   | Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)                  | \$ 0            | \$ 0         |                              |

## SUMMARY OF REVISED FACILITY COSTS / COST PER PATIENT DAY

**Provider Name:**  
MISSION HILLS HEALTH CARE, INC.

**Fiscal Period:**  
FEBRUARY 1, 2010 THROUGH JANUARY 31, 2011

**Provider NPI:**  
1740238047

**OSHPD Facility No.:**  
206370747

| Line No.                           | PROGRAM DESCRIPTION  | AS AUDITED | AS REVISED | REVISED COST PER PATIENT DAY |
|------------------------------------|--|------------|------------|------------------------------|
| <b>SUBACUTE CARE - PEDIATRIC</b>   |  |            |            |                              |
| 43                                 | Cost of Routine Service (Subacute Care - Pediatric, Sch. 1, Ln 3)            | \$ 0       | \$ 0       |                              |
| 44                                 | Cost of Ancillary Service (Subacute Care - Pediatric, Sch. 1, Ln. 1 + Ln. 2) | \$ 0       | \$ 0       |                              |
| 45                                 | Total Cost of Subacute Care - Pediatric Service (Ln. 43 + Ln. 44)            | \$ 0       | \$ 0       |                              |
| 46                                 | Total Patient Days (Subacute Care - Pediatric, Sch. 1, Ln. 5)                | 0          | 0          |                              |
| 47                                 | Cost Per Patient Day (Cost Divided by Days)                                  | \$ 0.00    | \$ 0.00    |                              |
| 48                                 | Amount Due Provider (State) (Subacute Care - Pediatric, Sch. 1, Ln. 9)       | \$ 0       | \$ 0       |                              |
| <b>TRANSITIONAL INPATIENT CARE</b> |  |            |            |                              |
| 49                                 | Cost of Routine Service (Sch. 2, 3, 4, 5, 6)                                 | \$         | \$ 0       |                              |
| 50                                 | Total Patient Days   |            | 0          |                              |
| 51                                 | Cost Per Patient Day (Cost Divided by Days)                                  | \$ 0.00    | \$ 0.00    |                              |
| 52                                 | Overpayments   | \$         | \$ 0       |                              |
| <b>HOSPICE INPATIENT CARE</b>      |  |            |            |                              |
| 53                                 | Cost of Routine Service (Sch. 2, 3, 4, 5, 6)                                 | \$         | \$ 0       |                              |
| 54                                 | Total Patient Days   |            | 0          |                              |
| 55                                 | Cost Per Patient Day (Cost Divided by Days)                                  | \$ 0.00    | \$ 0.00    |                              |
| 56                                 | Overpayments   | \$         | \$ 0       |                              |
| <b>OTHER ROUTINE SERVICES</b>      |  |            |            |                              |
| 57                                 | Cost of Routine Service (Sch. 2, 3, 4, 5, 6)                                 | \$         | \$ 0       |                              |
| 58                                 | Total Patient Days   |            | 0          |                              |
| 59                                 | Cost Per Patient Day (Cost Divided by Days)                                  | \$ 0.00    | \$ 0.00    |                              |
| 60                                 | Overpayments   | \$         | \$ 0       |                              |

| Provider Name                     |      |      |      | Fiscal Period                             |      |     | NPI  |            | Revisions           |            |
|-----------------------------------|------|------|------|---|------|-----|--|------------|---------------------|------------|
| MISSION HILLS HEALTH CARE, INC.   |      |      |      | FEBRUARY 1, 2010 THROUGH JANUARY 31, 2011 |      |     | 1740238047   |            | 2                   |            |
| Report References                 |      |      |      |   |      |     |  |            |                     |            |
| Audit Report                      |      |      |      | Revised Audit Repor                       |      |     |  |            |                     |            |
| Rev No.                           | Sch. | Line | Col. | Sch.                                      | Line | Col | Explanation of Revisions   | As Audited | Increase (Decrease) | As Revised |
| <u>REVISIONS TO OTHER MATTERS</u> |      |      |      |   |      |     |  |            |                     |            |
| 1                                 | 1    | 14   |      | 1   | 14   |     | Medi-Cal Overpayments—Skilled Nursing Care<br>Revision to Adjustment 7. To partially reverse the recovery of Medi-Cal overpayments for Share of Cost based on an agreement between the parties.<br>INFORMAL APPEAL FINDING—ISSUE 1<br>CASE NUMBER: NF14-0111-331H-AJ | \$87,567   | (\$15,073)          | \$72,494 * |
| 2                                 | 1    | 14   |      | 1   | 14   |     | Medi-Cal Overpayments—Skilled Nursing Care<br>Revision to Adjustment 8. To partially reverse the recovery of Medi-Cal overpayments for Share of Cost based on an agreement between the parties.<br>INFORMAL APPEAL FINDING—ISSUE 1<br>CASE NUMBER: NF14-0111-331H-AJ | \$72,494   | (\$2,631)           | \$69,863   |

\*Balance carried forward from prior/to subsequent adjustments