

**REPORT
ON THE
RATE SETTING AUDIT**

**HORRIGAN ENTERPRISES, INC - BUCHANAN HOUSE
REDLANDS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1679622559**

**FISCAL PERIOD ENDED
MARCH 31, 2012**

**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

July 10, 2013

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

HORRIGAN ENTERPRISES, INC – BUCHANAN HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1679622559
FISCAL PERIOD ENDED MARCH 31, 2012

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	\$	368,091	\$ 170.81
Net Audit Adjustment		(51)	(0.03)
Audited Cost/Cost Per Day	\$	<u>368,040</u>	\$ <u>170.78</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.

Carol Tipton
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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—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 - BUCHANAN HOUSE

Fiscal Period:
APRIL 1, 2011 THROUGH MARCH 31, 2012

Provider NPI:
1679622559

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,155	2,155
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,155</u>	<u>2,155</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>368,091</u>	\$ <u>368,040</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>170.81</u>	\$ <u>170.78</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:
HORRIGAN ENTERPRISES, INC - BUCHANAN HOUSE

Fiscal Period:
APRIL 1, 2011 THROUGH MARCH 31, 2012

Provider NPI:
1679622559

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		\$ 15,475	\$	\$ 15,475
050	Leases and Rentals				0
055	Real Property Taxes		3,878		3,878
060	Personal Property Taxes		992		992
065	Mortgage Interest		28,120		28,120
070	Property Insurance		1,445		1,445
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 49,910	\$ 0	\$ 49,910
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,815	\$	\$ 8,815
085	Utilities		9,731		9,731
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		35		35
100	Personal Care and Laundry	1	6,321	(51)	6,270
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 24,902	\$ (51)	\$ 24,851
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 74,812	\$ (51)	\$ 74,761
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 13,703	\$	\$ 13,703
120	QMRP Fringe Benefits		3,867		3,867
125	Lead Salaries		29,538		29,538
130	Lead Fringe Benefits		8,336		8,336
135	Aides Salaries		86,813		86,813
140	Aides Fringe Benefits		24,500		24,500
145	Other Salaries		17,717		17,717
150	Other Fringe Benefits		5,738		5,738
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 190,212	\$ 0	\$ 190,212

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - BUCHANAN HOUSE

Fiscal Period:
APRIL 1, 2011 THROUGH MARCH 31, 2012

Provider NPI:
1679622559

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 16,136	\$	\$ 16,136
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,048		2,048
175	Occupational Therapy Consultant		1,300		1,300
180	Pharmacist Consultant		792		792
185	Nurse Consultant				0
190	Psychologist Consultant		935		935
195	Physician Consultant		3,000		3,000
200	Recreational Consultant		45		45
205	Social Service Consultant				0
210	Other Consultant		100		100
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 24,356	\$ 0	\$ 24,356
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		19,673		19,673
230	Other General and Administrative*** (Excluding Adult Day Services)		59,038		59,038
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 78,711	\$ 0	\$ 78,711
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 368,091	\$ (51)	\$ 368,040
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		274,341		274,341
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 642,432	\$ (51)	\$ 642,381

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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	
HORRIGAN ENTERPRISES, INC - BUCHANAN HOUSE							APRIL 1, 2011 THROUGH MARCH 31, 2012	1679622559	1	
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 COSTS</u>										
1	4	100	4	2	100	3	Personal Care and Laundry To adjust the reported expense to agree with the audited invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$6,321	(\$51)	\$6,270