

**REPORT
ON THE
RATE SETTING AUDIT**

**HORRIGAN ENTERPRISES, INC - HIGHLAND HOUSE
HIGHLAND, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1346399227**

**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 – HIGHLAND HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1346399227
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	\$	335,036	\$ 152.57
Net Audit Adjustment		(309)	(0.14)
Audited Cost/Cost Per Day	\$	<u>334.727</u>	\$ <u>152.43</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 - HIGHLAND HOUSE

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

Provider NPI:
1346399227

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,196</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>335,036</u>	\$ <u>334,727</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>152.57</u>	\$ <u>152.43</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> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - HIGHLAND HOUSE

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

Provider NPI:
1346399227

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		\$ 731	\$	\$ 731
050	Leases and Rentals		17,771		17,771
055	Real Property Taxes				0
060	Personal Property Taxes		95		95
065	Mortgage Interest				0
070	Property Insurance		868		868
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 19,465	\$ 0	\$ 19,465
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,648	\$	\$ 6,648
085	Utilities		6,734		6,734
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		16,679		16,679
100	Personal Care and Laundry	1	3,901	(309)	3,592
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 33,962	\$ (309)	\$ 33,653
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 53,427	\$ (309)	\$ 53,118
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 15,292	\$	\$ 15,292
120	QMRP Fringe Benefits		3,713		3,713
125	Lead Salaries		47,920		47,920
130	Lead Fringe Benefits		11,636		11,636
135	Aides Salaries		76,902		76,902
140	Aides Fringe Benefits		18,673		18,673
145	Other Salaries		17,845		17,845
150	Other Fringe Benefits		5,213		5,213
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 197,194	\$ 0	\$ 197,194

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - HIGHLAND HOUSE

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

Provider NPI:
1346399227

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 450	\$	\$ 450
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		845		845
175	Occupational Therapy Consultant		1,325		1,325
180	Pharmacist Consultant		792		792
185	Nurse Consultant				0
190	Psychologist Consultant		880		880
195	Physician Consultant		3,000		3,000
200	Recreational Consultant		45		45
205	Social Service Consultant				0
210	Other Consultant		180		180
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,517	\$ 0	\$ 7,517
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		18,057		18,057
230	Other General and Administrative*** (Excluding Adult Day Services)		58,841		58,841
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 76,898	\$ 0	\$ 76,898
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 335,036	\$ (309)	\$ 334,727
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		193,971		193,971
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 529,007	\$ (309)	\$ 528,698

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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 - HIGHLAND HOUSE							APRIL 1, 2011 THROUGH MARCH 31, 2012	1346399227	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	\$3,901	(\$309)	\$3,592