

**REPORT
ON THE
RATE SETTING AUDIT**

**HORRIGAN ENTERPRISES, INC - KINGSTON HOUSE
ALTA LOMA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1306995238**

**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 11, 2013

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

HORRIGAN ENTERPRISES, INC – KINGSTON HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1306995238
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	\$	415,711	\$ 195.72
Net Audit Adjustment		<u>2,152</u>	<u>1.01</u>
Audited Cost/Cost Per Day	\$	<u>417,863</u>	\$ <u>196.73</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.

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 - KINGSTON HOUSE

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

Provider NPI:
1306995238

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,124	2,124
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,124</u>	<u>2,124</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>415,711</u>	\$ <u>417,863</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>195.72</u>	\$ <u>196.73</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 - KINGSTON HOUSE

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

Provider NPI:
1306995238

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	1	\$ 7,997	\$ (51)	\$ 7,946
050	Leases and Rentals				0
055	Real Property Taxes		2,991		2,991
060	Personal Property Taxes		341		341
065	Mortgage Interest		11,030		11,030
070	Property Insurance		1,199		1,199
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 23,558	\$ (51)	\$ 23,507
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 17,455	\$	\$ 17,455
085	Utilities		8,192		8,192
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		7,988		7,988
100	Personal Care and Laundry	2	11,467	(273)	11,194
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 45,102	\$ (273)	\$ 44,829
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 68,660	\$ (324)	\$ 68,336
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,769	\$	\$ 18,769
120	QMRP Fringe Benefits		4,366		4,366
125	Lead Salaries		92,513		92,513
130	Lead Fringe Benefits		21,523		21,523
135	Aides Salaries		72,774		72,774
140	Aides Fringe Benefits		16,930		16,930
145	Other Salaries		24,586		24,586
150	Other Fringe Benefits		6,843		6,843
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 258,304	\$ 0	\$ 258,304

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - KINGSTON HOUSE

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

Provider NPI:
1306995238

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,063	\$	\$ 1,063
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,325		2,325
175	Occupational Therapy Consultant		1,350		1,350
180	Pharmacist Consultant		774		774
185	Nurse Consultant				0
190	Psychologist Consultant		1,458		1,458
195	Physician Consultant		3,600		3,600
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		40		40
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,610	\$ 0	\$ 10,610
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,503		22,503
230	Other General and Administrative*** (Excluding Adult Day Services)	3	55,634	2,476	58,110
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 78,137	\$ 2,476	\$ 80,613
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 415,711	\$ 2,152	\$ 417,863
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		207,005		207,005
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 622,716	\$ 2,152	\$ 624,868

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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 - KINGSTON HOUSE							APRIL 1, 2011 THROUGH MARCH 31, 2012	1306995238	3	
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>ADJUSTMENTS TO REPORTED COSTS</u>										
1	4	045	4	2	045	3	Depreciation and Amortization To adjust depreciation to agree with the provider's detailed depreciation schedules. 42 CFR 413.20, 413.24, 413.50, and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302, and 2304	\$7,997	(\$51)	\$7,946
2	4	100	4	2	100	3	Personal Care and Laundry To eliminate program expenditures expenses due to insufficient documentation and to agree with the audited invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$11,467	(\$273)	\$11,194
3	4.1	230	4	2	230	3	Other General and Administrative To adjust home office costs to agree with the filed Horrigan Enterprises, Inc. Home Office Cost Report for fiscal period ended March 31, 2012. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	\$55,634	\$2,476	\$58,110