REPORT
ON THE
RATE SETTING AUDIT

HORRIGAN ENTERPRISES, INC - QUARTZ HOUSE
LA VERNE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1417006347

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

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

July 8, 2013

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

HORRIGAN ENTERPRISES, INC – QUARTZ HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1417006347
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	331,716	$	157.81
Net Audit Adjustment		(150)		(0.07)
Audited Cost/Cost Per Day	$	331,566	$	157.74

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 - QUARTZ HOUSE

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

Provider NPI:
1417006347

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,102	2,102
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	2,102	2,102
5. Total Client Care Expenses (From Sch. 2)	$ 331,716	$ 331,566
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 157.81	$ 157.74
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - QUARTZ HOUSE

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

Provider NPI:
1417006347

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		$ 9,097	$	$ 9,097
050	Leases and Rentals				0
055	Real Property Taxes		3,961		3,961
060	Personal Property Taxes				0
065	Mortgage Interest		12,600		12,600
070	Property Insurance		1,000		1,000
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 26,658	$ 0	$ 26,658
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 6,517	$	$ 6,517
085	Utilities		6,511		6,511
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		14,364		14,364
100	Personal Care and Laundry	1	4,860	(150)	4,710
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 32,252	$ (150)	$ 32,102
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 58,910	$ (150)	$ 58,760
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 14,797	$	$ 14,797
120	QMRP Fringe Benefits		4,026		4,026
125	Lead Salaries		33,926		33,926
130	Lead Fringe Benefits		9,231		9,231
135	Aides Salaries		80,510		80,510
140	Aides Fringe Benefits		21,906		21,906
145	Other Salaries		18,099		18,099
150	Other Fringe Benefits		6,051		6,051
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 188,546	$ 0	$ 188,546

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - QUARTZ HOUSE

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

Provider NPI:
1417006347

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 400	$	$ 400
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,325		1,325
175	Occupational Therapy Consultant		1,350		1,350
180	Pharmacist Consultant		820		820
185	Nurse Consultant				0
190	Psychologist Consultant		1,265		1,265
195	Physician Consultant		3,000		3,000
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		40		40
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 8,200	$ 0	$ 8,200
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$	$	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		19,078		19,078
230	Other General and Administrative*** (Excluding Adult Day Services)		56,982		56,982
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 76,060	$ 0	$ 76,060
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 331,716	$ (150)	$ 331,566
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		$	$	$ 0
241	Adult Day Services and Related Transportation		253,661		253,661
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		$ 585,377	$ (150)	$ 585,227

** 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 - QUARTZ HOUSE	APRIL 1, 2011 THROUGH MARCH 31, 2012	1417006347	1

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED COSTS			
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	$4,860	($150)	$4,710