

**REPORT
ON THE
RATE SETTING AUDIT**

**AMBER HOME
VISTA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1497924823**

**FISCAL PERIOD ENDED
JUNE 30, 2012**

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

**Section Chief: Patricia M. Fox
Audit Supervisor: Sergio Gonzalez
Auditor: Ana R. Macias**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Azin Baird, Administrator
Great Expectations Services, Inc.
601 Calle Tibidabo
San Clemente, CA 92672

AMBER HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1497924823
FISCAL PERIOD ENDED JUNE 30, 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, patient days, and use of share of cost 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	\$	345,580	\$ 156.94
Net Audit Adjustment		(14,173)	(5.61)
Audited Cost/Cost Per Day	\$	<u>331,407</u>	\$ <u>151.33</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—San Diego at (619) 688-3200.

Originally signed by:

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

Certified

cc: Shannon Gustafson
HGi Financial Services
9240 Limonite Avenue
Riverside, CA 92509

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

Provider:
AMBER HOME

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

NPI:
1497924823

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 16)	2,202	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,202</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>345,580</u>	\$ <u>331,407</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>156.94</u>	\$ <u>151.33</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>N/A</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:
AMBER HOME

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

NPI:
1497924823

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		\$ 7,616	\$	\$ 7,616
050	Leases and Rentals				0
055	Real Property Taxes		4,481		4,481
060	Personal Property Taxes				0
065	Mortgage Interest	15	16,703	(75)	16,628
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,800	\$ (75)	\$ 28,725
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1-4, 7,8	\$ 9,625	\$ (136)	\$ 9,489
085	Utilities	9	5,997	(518)	5,479
090	Client Transportation (Excluding Adult Day Services)				0
095	Dietary	2	15,620	227	15,847
100	Personal Care and Laundry	1-3,5	12,343	(1,553)	10,790
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 43,585	\$ (1,980)	\$ 41,605
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 72,385	\$ (2,055)	\$ 70,330
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		101,143		101,143
140	Aides Fringe Benefits		17,740		17,740
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 118,883	\$ 0	\$ 118,883

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
AMBER HOME

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 960	\$	\$ 960
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,200		1,200
175	Occupational Therapy Consultant		1,678		1,678
180	Pharmacist Consultant		888		888
185	Nurse Consultant		7,776		7,776
190	Psychologist Consultant		330		330
195	Physician Consultant		1,800		1,800
200	Recreational Consultant		225		225
205	Social Service Consultant				0
210	Other Consultant		732		732
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 15,589	\$ 0	\$ 15,589
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fee (excluding Adult Day Services)		18,967		18,967
230	Other General and Administrative (Excluding Adult Day Services)	6,10-14	119,756	(12,118)	107,638
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 138,723	\$ (12,118)	\$ 126,605
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 345,580	\$ (14,173)	\$ 331,407
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		193,759		193,759
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 539,339	\$ (14,173)	\$ 525,166

Provider Name							Fiscal Period	NPI	Adjustments	
AMBER HOME							JULY 1, 2011 THROUGH JUNE 30, 2012	1497924823	16	
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.				
RECLASSIFICATIONS OF REPORTED COSTS										
1	4 of 6	100	4	2	100	Personal Care and Laundry	\$12,343	(\$300)	\$12,043	*
	4 of 6	080	4	2	080	Home Operations and Maintenance	9,625	300	9,925	*
To reclassify home operations and maintenance expenses based on the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										
2	4 of 6	080	4	2	080	Home Operations and Maintenance	* \$9,925	(\$227)	\$9,698	*
	4 of 6	095	4	2	095	Dietary	15,620	227	15,847	
To reclassify dietary expenses based on the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										
3	4 of 6	100	4	2	100	Personal Care and Laundry	* \$12,043	(\$75)	\$11,968	*
	4 of 6	080	4	2	080	Home Operations and Maintenance	* 9,698	75	9,773	*
To reclassify home operations expenses based on the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304										

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	NPI		Adjustments
AMBER HOME							JULY 1, 2011 THROUGH JUNE 30, 2012	1497924823		16
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.				
ADJUSTMENTS TO REPORTED COSTS										
4	4 of 6	080	4	2	080	Home Operations and Maintenance To eliminate property maintenance and repair expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2304.1	*	\$9,773	(\$100)	\$9,673 *
5	4 of 6	100	4	2	100	Personal Care and Laundry To eliminate personal care and laundry expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$11,968	(\$1,178)	\$10,790
6	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate overdraft fees not related to patient care. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, and 2304		\$119,756	(\$120)	\$119,636 *
7	4 of 6	080	4	2	080	Home Operations and Maintenance To eliminate property maintenance and repair expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$9,673	(\$76)	\$9,597 *
8	4 of 6	080	4	2	080	Home Operations and Maintenance To eliminate expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$9,597	(\$108)	\$9,489
9	4 of 6	085	4	2	085	Utilities To eliminate telephone expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$5,997	(\$518)	\$5,479

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	NPI		Adjustments
AMBER HOME							JULY 1, 2011 THROUGH JUNE 30, 2012	1497924823		16
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>										
10	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate mileage and medical reimbursement expenses reported as salaries—officers allocated from the Home Office due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$119,636	(\$4,586)	\$115,050 *
11	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate travel expenses allocated from the Home Office due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2304.1	*	\$115,050	(\$1,474)	\$113,576 *
12	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate automobile expenses allocated from the Home Office due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$113,576	(\$3,811)	\$109,765 *
13	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate interest—other expenses allocated from the Home Office due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$109,765	(\$1,431)	\$108,334 *
14	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate telephone expenses allocated from the Home Office due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2304.1	*	\$108,334	(\$696)	\$107,638

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			NPI		Adjustments
AMBER HOME							JULY 1, 2011 THROUGH JUNE 30, 2012			1497924823		16
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>												
15	4 of 6	065	4	2	065	Mortgage Interest To adjust mortgage interest expense to agree to the provider's documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			\$16,703	(\$75)	\$16,628	

Provider Name							Fiscal Period			NPI		Adjustments
AMBER HOME							JULY 1, 2011 THROUGH JUNE 30, 2012			1497924823		16
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 CLIENT DAYS</u>												
16	2 of 6	3	1	1	1	Medi-Cal Client Days To adjust reported Medi-Cal client days to agree with the provider's patient census records. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304			2,202	(12)	2,190	