

**REPORT
ON THE
RATE SETTING AUDIT**

**COMMUNITY HOUSE
WEST HILLS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1093924888**

**FISCAL PERIOD ENDED
JUNE 30, 2012**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Gertrude Lake
Auditor: Jeff Mai**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 1, 2013

Belinda Betton, Controller
Therapeutic Living Centers for the Blind
7915 Lindley Avenue
Reseda, CA 91335

COMMUNITY HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1093924888
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 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	\$	327,766	\$ 149.26
Net Audit Adjustment		<u>(341)</u>	<u>(0.16)</u>
Audited Cost/Cost Per Day	\$	<u>327,425</u>	\$ <u>149.10</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.

Belinda Betton
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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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
COMMUNITY HOUSE

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

Provider NPI:
1093924888

**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	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,196</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>327,766</u>	\$ <u>327,425</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>149.26</u>	\$ <u>149.10</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</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:
COMMUNITY HOUSE

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

Provider NPI:
1093924888

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		\$ 13,615	\$	\$ 13,615
050	Leases and Rentals		0		0
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance	1, 3	0	305	305
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 13,615	\$ 305	\$ 13,920
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 181	\$	\$ 181
085	Utilities		1,935		1,935
090	Client Transportation (excluding Adult Day Services)	1, 3	4,129	(537)	3,592
095	Dietary		23,096		23,096
100	Personal Care and Laundry	4	13,365	(25)	13,340
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,706	\$ (562)	\$ 42,144
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 56,321	\$ (257)	\$ 56,064
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 8,614	\$	\$ 8,614
120	QMRP Fringe Benefits		5,241		5,241
125	Lead Salaries	6	39,888	83	39,971
130	Lead Fringe Benefits		21,486		21,486
135	Aides Salaries		77,263		77,263
140	Aides Fringe Benefits		30,985		30,985
145	Other Salaries		10,052		10,052
150	Other Fringe Benefits		5,301		5,301
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 198,830	\$ 83	\$ 198,913

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
COMMUNITY HOUSE

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

Provider NPI:
1093924888

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 716		\$ 716
165	Speech Pathology Consultant		915		915
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant	2	1,338	156	1,494
180	Pharmacist Consultant		295		295
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,973		2,973
195	Physician Consultant		1,388		1,388
200	Recreational Consultant	5	797	(28)	769
205	Social Service Consultant		0		0
210	Other Consultant		1,890		1,890
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,312	\$ 128	\$ 10,440
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **	2	\$ 21,940	\$ (196)	\$ 21,744
225	Administrative Fringe Benefits		7,212		7,212
226	Quality Assurance Fees (excluding Adult Day Services)		17,686		17,686
230	Other General and Administrative*** Adult Day Services	(Excluding 1, 3, 7, 8, 9)	15,465	(99)	15,366
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 62,303	\$ (295)	\$ 62,008
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 327,766	\$ (341)	\$ 327,425
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0		\$ 0
241	Adult Day Services and Related Transportation		86,619		86,619
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 414,385	\$ (341)	\$ 414,044

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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	
COMMUNITY HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1093924888	9	
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>RECLASSIFICATION OF REPORTED COSTS</u>										
1	4	70	4	2	70	2	Property Insurance	\$0	\$341	\$341 *
	4.1	230	4	2	230	2	Other General and Administrative	15,465	73	15,538 *
	4	90	4	2	90	2	Client Transportation	4,129	(414)	3,715 *
To reclassify insurance expenses to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.8										

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
COMMUNITY HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1093924888		9
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
2	4.1	175	4	2	175	2	Occupational Therapy	\$1,338	\$156	\$1,494
	4.1	220	4	2	220	2	Administrative Salaries	21,940	(196)	21,744
							To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
3	4	70	4	2	70	2	Property Insurance	* \$341	(\$36)	\$305
	4	90	4	2	90	2	Client Transportation	* 3,715	(123)	3,592
	4.1	230	4	2	230	2	Other General and Administrative	* 15,538	(86)	15,452 *
							To eliminate insurance expenses reported twice. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
4	4	100	4	2	100	2	Personal Care and Laundry	\$13,365	(\$25)	\$13,340
							To eliminate recreation expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
5	4	200	4	2	200	2	Recreational Consultant	\$797	(\$28)	\$769
							To adjust the reported recreational consultant expense to agree with the invoice. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
6	4.1	125	4	2	125	2	Lead Salaries	\$39,888	\$83	\$39,971
							To adjust the provider's LVN salaries to agree with the provider's payroll records. 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				Provider NPI		Adjustments
COMMUNITY HOUSE				JULY 1, 2011 THROUGH JUNE 30, 2012				1093924888		9
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>										
	4.1	230	4	2	230	2	Other General and Administrative	*	\$15,452	
7							To adjust license fees to the license invoices applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304			\$82
8							To adjust CPR training expense to agree with the invoice. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304			(45)
9							To eliminate political contributions/lobby fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2139, 2300 and 2304			<u>(123)</u> <u>(\$86)</u> \$15,366

*Balance carried forward from prior/to subsequent adjustments