

**REPORT
ON THE
RATE SETTING AUDIT**

**HORRIGAN ENTERPRISES, INC - OLIVE HOUSE
RIALTO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1760531669**

**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 – OLIVE HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1760531669
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	\$	401,157	\$ 188.87
Net Audit Adjustment		(684)	2.65
Audited Cost/Cost Per Day	\$	<u>400,473</u>	\$ <u>191.52</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 - OLIVE HOUSE

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

Provider NPI:
1760531669

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 3)	2,124	2,091
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,124</u>	<u>2,091</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>401,157</u>	\$ <u>400,473</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>188.87</u>	\$ <u>191.52</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>0</u>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - OLIVE HOUSE

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

Provider NPI:
1760531669

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		\$ 7,304	\$	\$ 7,304
050	Leases and Rentals				0
055	Real Property Taxes	1	2,565	(554)	2,011
060	Personal Property Taxes		1,005		1,005
065	Mortgage Interest		3,820		3,820
070	Property Insurance		1,070		1,070
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,764	\$ (554)	\$ 15,210
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,253	\$	\$ 6,253
085	Utilities		9,442		9,442
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		11,116		11,116
100	Personal Care and Laundry	2	8,838	(130)	8,708
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 35,649	\$ (130)	\$ 35,519
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 51,413	\$ (684)	\$ 50,729
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 19,947	\$	\$ 19,947
120	QMRP Fringe Benefits		4,576		4,576
125	Lead Salaries		78,144		78,144
130	Lead Fringe Benefits		17,927		17,927
135	Aides Salaries		91,846		91,846
140	Aides Fringe Benefits		21,070		21,070
145	Other Salaries		20,605		20,605
150	Other Fringe Benefits		5,492		5,492
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 259,607	\$ 0	\$ 259,607

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HORRIGAN ENTERPRISES, INC - OLIVE HOUSE

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

Provider NPI:
1760531669

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 988	\$	\$ 988
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,918		1,918
175	Occupational Therapy Consultant		1,375		1,375
180	Pharmacist Consultant		792		792
185	Nurse Consultant				0
190	Psychologist Consultant		1,320		1,320
195	Physician Consultant		3,000		3,000
200	Recreational Consultant		45		45
205	Social Service Consultant				0
210	Other Consultant		40		40
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 9,478	\$ 0	\$ 9,478
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,105		22,105
230	Other General and Administrative*** (Excluding Adult Day Services)		58,554		58,554
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 80,659	\$ 0	\$ 80,659
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 401,157	\$ (684)	\$ 400,473
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		171,241		171,241
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 572,398	\$ (684)	\$ 571,714

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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 - OLIVE HOUSE							APRIL 1, 2011 THROUGH MARCH 31, 2012	1760531669	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	055	4	2	055	3	Real Property Taxes To reflect the proper accrual of real property taxes applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$2,565	(\$554)	\$2,011	
2	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	\$8,838	(\$130)	\$8,708	

Provider Name				Fiscal Period				Provider NPI		Adjustments
HORRIGAN ENTERPRISES, INC - OLIVE HOUSE				APRIL 1, 2011 THROUGH MARCH 31, 2012				1760531669		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>ADJUSTMENT TO REPORTED PATIENT DAYS</u>										
3	2	3	1	1	1		Medi-Cal Client Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	2,124	(33)	2,091