

**REPORT  
ON THE  
RATE SETTING AUDIT**

**THE ARC OF SAN DIEGO—LUTH  
SAN DIEGO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1922280759**

**FISCAL PERIOD ENDED  
JUNE 30, 2010**

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

**Section Chief: Patricia M. Fox  
Audit Supervisor: Woosung Lee  
Auditor: Stacey A. Leon**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

December 19, 2011

Chad Lyle  
Vice President of Finance/CFO  
The Arc of San Diego  
3030 Market Street  
San Diego, CA 92102

THE ARC OF SAN DIEGO—LUTH  
NATIONAL PROVIDER IDENTIFIER (NPI) 1922280759  
FISCAL PERIOD ENDED JUNE 30, 2010

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	\$	418,759		\$ 191.21
Net Audit Adjustment		<u>0</u>		<u>0</u>
Audited Cost/Cost Per Day	\$	<u>418,759</u>		\$ <u>191.21</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2

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 Medi-Cal Benefits, Waiver Analysis and Rates 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.

Chad Lyle  
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If you have questions regarding this report, you may call the Audits Section—San Diego at (619) 688-3200.

Original Signed by

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

Certified

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

**Provider:**  
THE ARC OF SAN DIEGO—LUTH

**Fiscal Period:**  
JULY 1, 2009 THROUGH JUNE 30, 2010

**NPI:**  
1922280759

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,190	2,190
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>418,759</u>	\$ <u>418,759</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>191.21</u>	\$ <u>191.21</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:  
THE ARC OF SAN DIEGO—LUTH

Fiscal Period:  
JULY 1, 2009 THROUGH JUNE 30, 2010

NPI:  
1922280759

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 6,959	\$	\$ 6,959
050	Leases and Rentals				0
055	Real Property Taxes		11		11
060	Personal Property Taxes				0
065	Mortgage Interest		11,319		11,319
070	Property Insurance		1,280		1,280
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 19,569	\$ 0	\$ 19,569
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 25,728	\$	\$ 25,728
085	Utilities		10,876		10,876
090	Client Transportation (excluding Adult Day Services)		(487)		(487)
095	Dietary		15,794		15,794
100	Personal Care and Laundry		11,455		11,455
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 63,366	\$ 0	\$ 63,366
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 82,935	\$ 0	\$ 82,935
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 10,895	\$	\$ 10,895
120	QMRP Fringe Benefits		1,698		1,698
125	Lead Salaries		27,594		27,594
130	Lead Fringe Benefits		9,622		9,622
135	Aides Salaries		131,635		131,635
140	Aides Fringe Benefits		11,603		11,603
145	Other Salaries		20,716		20,716
150	Other Fringe Benefits		5,378		5,378
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 219,141	\$ 0	\$ 219,141

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
<b>EXPENSES: CONSULTANT COSTS</b>					
160	Dietician Consultant		\$ 469	\$	\$ 469
165	Speech Pathology Consultant		142		142
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,275		1,275
180	Pharmacist Consultant		100		100
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		2,042		2,042
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,028	\$ 0	\$ 4,028
<b>EXPENSES: ADMINISTRATIVE COSTS</b>					
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		20,500		20,500
230	Other General and Administrative (excluding Adult Day Services)		92,155		92,155
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 112,655	\$ 0	\$ 112,655
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 418,759	\$ 0	\$ 418,759
			(To Sch. 1)		(To Sch. 1)
<b>NON-CLIENT CARE EXPENSES</b>					
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 418,759	\$ 0	\$ 418,759