

**REPORT ON THE
RATE SETTING AUDIT**

**HOME OF GUIDING HANDS—JACK CLOSE HOUSE
SAN DIEGO, CALIFORNIA**

NATIONAL PROVIDER IDENTIFIER: 1831151851

**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
Auditors: Jeff Cates/Elisa Diaz**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

December 20, 2011

Jan Adams
Director of Finance
Home of Guiding Hands
1825 Gillespie Way, Suite 200
El Cajon, CA 92020

HOME OF GUIDING HANDS—JACK CLOSE HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1831151851
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	\$	401,667	\$ 185.19
Net Audit Adjustment		(188)	(0.09)
Audited Cost/Cost Per Day	\$	<u>401,479</u>	\$ <u>185.10</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 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.

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.

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:
HOME OF GUIDING HANDS—JACK CLOSE HOUSE

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

NPI:
1831151851

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,169	2,169
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,169</u>	<u>2,169</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>401,667</u>	\$ <u>401,479</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>185.19</u>	\$ <u>185.10</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:
HOME OF GUIDING HANDS—JACK CLOSE HOUSE

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

NPI:
1831151851

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		\$ 11,910	\$	\$ 11,910
050	Leases and Rentals		566		566
055	Real Property Taxes		40		40
060	Personal Property Taxes				0
065	Mortgage Interest		13,644		13,644
070	Property Insurance	1	1,750	(188)	1,562
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)*		\$ 27,909	\$ (188)	\$ 27,721
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 13,320	\$	\$ 13,320
085	Utilities		9,526		9,526
090	Client Transportation (excluding Adult Day Services)		6,096		6,096
095	Dietary		14,679		14,679
100	Personal Care and Laundry		8,619		8,619
					0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)*		\$ 52,239	\$ 0	\$ 52,239
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 80,148	\$ (188)	\$ 79,960
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 11,142	\$	\$ 11,142
120	QMRP Fringe Benefits		3,576		3,576
125	Lead Salaries		37,174		37,174
130	Lead Fringe Benefits		11,932		11,932
135	Aides Salaries		120,907		120,907
140	Aides Fringe Benefits		38,809		38,809
145	Other Salaries		18,556		18,556
150	Other Fringe Benefits		5,956		5,956
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)**		\$ 248,050	\$ 0	\$ 248,050

* Includes \$1 variance, due to provider's rounding

** Includes \$2 variance, due to provider's rounding

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HOME OF GUIDING HANDS—JACK CLOSE HOUSE

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

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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		\$ 305	\$	\$ 305
165	Speech Pathology Consultant		646		646
170	Physical Therapy Consultant		450		450
175	Occupational Therapy Consultant		990		990
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		1,120		1,120
195	Physician Consultant		311		311
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		504		504
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,326	\$ 0	\$ 4,326
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$ 7,510	\$	\$ 7,510
225	Administrative Fringe Benefits		2,303		2,303
226	Quality Assurance Fees (excluding Adult Day Services)		16,715		16,715
230	Other General and Administrative (excluding Adult Day Services)		42,614		42,614
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 69,142	\$ 0	\$ 69,142
	TOTAL COSTS RELATED TO CLIENT CARE* (Lines 110, 155, 215 and 235)		\$ 401,667	\$ (188)	\$ 401,479
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
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)*		\$ 401,667	\$ (188)	\$ 401,479

* Includes \$1 variance, due to provider's rounding

Provider Name				Fiscal Period				NPI		Adjustments
HOME OF GUIDING HANDS—JACK CLOSE HOUSE				JULY 1, 2009 THROUGH JUNE 30, 2010				1831151851		1
Report References										
Cost Report			Audit Report				Explanation of Audit Adjustments			
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<u>ADJUSTMENT TO REPORTED COSTS</u>										
1	4 of 6	070	4	2	070	3	Property Insurance To adjust property insurance expense due to over allocation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 52000 and 52501	\$1,750	(\$188)	\$1,562