REPORT
ON THE
RATE SETTING AUDIT

DONNA HOUSE
NORTHRIDGE, CALIFORNIA
PROVIDER NPI: 1366651101

FISCAL PERIOD ENDED
JUNE 30, 2010

Audits Section - Burbank
Financial Audits Branch
Audits and Investigations
California Department of Health Care Services

Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Avina
Auditor: Alison Dowling

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

November 29, 2011

Debbie Simmons
Finance Director
Therapeutic Living Centers for the Blind, Inc.
7915 Lindley Ave
Reseda, CA 91335

PROVIDER: DONNA HOUSE
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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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	337,352	$	156.47
Net Audit Adjustment		(3,147)		(1.46)
Audited Cost/Cost Per Day	$	334,205	$	155.01

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 Rate Development Branch.

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:
DONNA HOUSE

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

Provider NPI:
1366651101

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY		AS REPORTED	AS AUDITED
1.	Medi-Cal Client Days (Adj)	2,156	2,156
2.	Medi-Cal Managed Care Days (Adj)	0	0
3.	Other Client Days (Adj)	0	0
4.	Total Client Days	2,156	2,156
5.	Total Client Care Expenses (From Sch. 2)	$ 337,352	$ 334,205
6.	AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 156.47	$ 155.01
SHARE OF COST			
1.	Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS			
1.	Duplicate Payments (Adj)	$ 0	$ 0
2.	Credit Balances (Adj)	$ 0	$ 0
3.	Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DONNA HOUSE

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

Provider NPI:
1366651101

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		$ 4,014	$	$ 4,014
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		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 4,014	$ 0	$ 4,014
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 841	$	$ 841
085	Utilities		2,221		2,221
090	Client Transportation (excluding Adult Day Services)		5,471		5,471
095	Dietary		20,120		20,120
100	Personal Care and Laundry	3-8	10,164	(1,954)	8,210
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 38,817	$ (1,954)	$ 36,863
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 42,831	$ (1,954)	$ 40,877
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 10,964	$	$ 10,964
120	QMRP Fringe Benefits		3,023		3,023
125	Lead Salaries		50,724		50,724
130	Lead Fringe Benefits		14,381		14,381
135	Aides Salaries		95,532		95,532
140	Aides Fringe Benefits		22,345		22,345
145	Other Salaries		8,847		8,847
150	Other Fringe Benefits		2,809		2,809
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 208,625	$ 0	$ 208,625

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DONNA 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		$ 1,076	$	$ 1,076
165	Speech Pathology Consultant		1,353		1,353
170	Physical Therapy Consultant		607		607
175	Occupational Therapy Consultant		1,743		1,743
180	Pharmacist Consultant		185		185
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,850		2,850
195	Physician Consultant		1,325		1,325
200	Recreational Consultant		820		820
205	Social Service Consultant		0		0
210	Other Consultant	1	3,792	(68)	3,724
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 13,751	$ (68)	$ 13,683
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$ 25,539	$	$ 25,539
225	Administrative Fringe Benefits		10,209		10,209
226	Quality Assurance Fees (excluding Adult Day Services)		15,741		15,741
230	Other General and Administrative*** (Excluding Adult Day Services)	2	20,656	(1,125)	19,531
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 72,145	$ (1,125)	$ 71,020
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 337,352	$ (3,147)	$ 334,205
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
240	Non-Program Services		$ 0	$	$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		$ 337,352	$ (3,147)	$ 334,205

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
DONNA HOUSE	JULY 1, 2009 THROUGH JUNE 30, 2010	1366651101	8

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
1	4.1	210	4	2	210	4	Other Consultant To adjust the other consultant expense to agree with the invoices applicable to the facility. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$3,792	($68)	$3,724
2	4.1	230	4	2	230	4	Other General and Administrative To adjust the reported license fee expense to agree with the documentation provided and the published rate applicable to the fiscal year under audit. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$20,656	($1,125)	$19,531

Provider Name	Fiscal Period	Provider NPI	Adjustments
DONNA HOUSE	JULY 1, 2009 THROUGH JUNE 30, 2010	1366651101	8

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
	4	100	4	2	100	4	Personal Care and Laundry	$10,164		
3							To eliminate the prior year Time Warner expense. 42 CFR 413.20, 413.5, and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, and 2304		($105)	
4							To eliminate the haircut expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		(540)	
5							To eliminate the physician visit expense not included in the daily Medi-Cal rate. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.2		(878)	
6							To eliminate the legend drug expense not included in the daily Medi-Cal rate. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.2		(10)	
7							To eliminate the prior year resident expense. 42 CFR 413.20, 413.5, and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, and 2304		(37)	
8							To eliminate the physician visit, emergency room visit, and prescription co-pay expense not included in the daily Medi-Cal rate. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.2		(384) ($1,954)	$8,210