

**REPORT
ON THE
RATE SETTING AUDIT**

**TLC ON GARMONT
ROHNERT PARK, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1821124983**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Louise Wong
Audit Supervisor: Jesse Duran
Auditor: Bob Dailey**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

January 23, 2012

Peter Ricciardone
Chief Financial Officer
TLC on Garmont
840 Mark West Springs Road
Santa Rosa, CA 95404-1140

TLC ON GARMONT
NATIONAL PROVIDER IDENTIFIER (NPI) 1821124983
FISCAL PERIOD ENDED DECEMBER 31, 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 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	\$	375,689	\$ 188.32
Net Audit Adjustment		<u>(11,325)</u>	<u>(5.68)</u>
Audited Cost/Cost Per Day	\$	<u>364,364</u>	\$ <u>182.64</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.

Peter Riccardone
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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:

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

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

Provider:
TLC ON GARMONT

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1821124983

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	0	0
2. Medi-Cal Managed Care Days (Adj)	1,995	1,995
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>1,995</u>	<u>1,995</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>375,689</u>	\$ <u>364,364</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>188.32</u>	\$ <u>182.64</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>	\$ <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:
TLC ON GARMONT

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1821124983

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		\$	\$	\$ 0
050	Leases and Rentals		36,474	0	36,474
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 36,474	\$ 0	\$ 36,474
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 18,504	\$ (3,757)	\$ 14,747
085	Utilities		5,235	0	5,235
090	Client Transportation (excluding Adult Day Services)	3	5,749	(2,427)	3,322
095	Dietary		15,090	0	15,090
100	Personal Care and Laundry		406	0	406
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 44,984	\$ (6,184)	\$ 38,800
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 81,458	\$ (6,184)	\$ 75,274
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,662	\$ 0	\$ 10,662
120	QMRP Fringe Benefits				0
125	Lead Salaries		23,846	0	23,846
130	Lead Fringe Benefits				0
135	Aides Salaries		113,178	0	113,178
140	Aides Fringe Benefits				0
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 147,686	\$ 0	\$ 147,686

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TLC ON GARMONT

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1821124983

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,235	\$ 0	\$ 1,235
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		10,120	0	10,120
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,355	\$ 0	\$ 11,355
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)	2	22,304	(1,909)	20,395
230	Other General and Administrative*** (excluding Adult Day Services)	1	112,886	(3,232)	109,654
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 135,190	\$ (5,141)	\$ 130,049
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 375,689	\$ (11,325)	\$ 364,364
			(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)		\$ 375,689	\$ (11,325)	\$ 364,364

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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	
TLC ON GARMONT		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1821124983		3	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Col.
		Cost Report	Audit Report				
ADJUSTMENTS TO REPORTED COSTS							
1	4	080	4	2	080	3	Home Operations and Maintenance
	4.1	230	4	2	230	3	Other General and Administrative
							To adjust reported home office costs to agree with the Teaching Living Concepts, Inc. Home Office Audit Report for fiscal period ended December 31, 2010.
							42 CFR 413.17 and 413.24
							CMS Pub. 15-1, Sections 2150.2 and 2304
2	4.1	226	4	2	226	3	Quality Assurance Fees
							To adjust QAF expense to agree with expense applicable to the audit period.
							42 CFR 413.5 and 413.24
							CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306
3	4	090	4	2	090	3	Client Transportation
							To abate client transportation revenue against transportation and other expenses for insufficient documentation.
							42 CFR 413.20 and 413.24
							CMS Pub. 15-1, Sections 2300, 2304, and 2328
							CMS Pub. 15-2, Section 3613
							State Plan Amendments 07-004 and 11-020
							W & I Code, Sections 4646.55, 14132.92, and 14132.925
							As Reported
							Increase (Decrease)
							As Adjusted
							\$18,504
							\$14,747
							112,886
							(\$3,757)
							(3,232)
							\$22,304
							(\$1,909)
							\$5,749
							(\$2,427)
							\$3,322