REPORT
ON THE
RATE SETTING AUDIT

MOUNTAIN SHADOWS COMMUNITY HOMES—ASH
ESCONDIDO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1720103971

FISCAL PERIOD ENDED
DECEMBER 31, 2010

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

Section Chief: Patricia M. Fox
Audit Supervisor: Sergio Gonzalez
Auditor: KaYan Lam

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

November 21, 2011

Wade Wilde
Executive Director
Mountain Shadows Support Group
135 Vallecitos De Oro, Suite D
San Marcos, CA 92069

MOUNTAIN SHADOWS COMMUNITY HOMES—ASH
NATIONAL PROVIDER IDENTIFIER (NPI) 1720103971
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, 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	$	356,726	$	165.77
Net Audit Adjustment		0		0.00
Audited Cost/Cost Per Day	$	356,726	$	165.77

This audit report includes the 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.

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:
MOUNTAIN SHADOWS COMMUNITY HOMES—ASH

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

NPI:
1720103971

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,152	2,152
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	2,152	2,152
5. Total Client Care Expenses (From Sch. 2)	$ 356,726	$ 356,726
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 165.77	$ 165.77
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ N/A	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$ N/A	$ 0
2. Credit Balances (Adj)	$ N/A	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS COMMUNITY HOMES—ASH

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

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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		$ 2,184	$	$ 2,184
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)		$ 2,184	$ 0	$ 2,184
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 7,618	$	$ 7,618
085	Utilities		4,225		4,225
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		20,310		20,310
100	Personal Care and Laundry		5,209		5,209
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 37,363	$ 0	$ 37,363
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105) *		$ 39,547	$ 0	$ 39,547
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 9,749	$	$ 9,749
120	QMRP Fringe Benefits		747		747
125	Lead Salaries		28,000		28,000
130	Lead Fringe Benefits		6,941		6,941
135	Aides Salaries		108,235		108,235
140	Aides Fringe Benefits		26,830		26,830
145	Other Salaries		16,049		16,049
150	Other Fringe Benefits		3,585		3,585
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) *		$ 200,137	$ 0	$ 200,137

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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		$ 1,120	$	$ 1,120
165	Speech Pathology Consultant		1,440		1,440
170	Physical Therapy Consultant		1,800		1,800
175	Occupational Therapy Consultant		1,540		1,540
180	Pharmacist Consultant		124		124
185	Nurse Consultant		0		0
190	Psychologist Consultant		595		595
195	Physician Consultant		804		804
200	Recreational Consultant		874		874
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 8,297	$ 0	$ 8,297
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$ 6,500	$	$ 6,500
225	Administrative Fringe Benefits		498		498
226	Quality Assurance Fees (Excluding Adult Day Services)		16,169		16,169
230	Other General and Administrative (Excluding Adult Day Services)		85,580		85,580
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230) *		$ 108,746	$ 0	$ 108,746
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 356,726	$ 0	$ 356,726
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
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)		$ 356,726	$ 0	$ 356,726

* Total does not foot due to the provider's rounding