REPORT
ON THE
RATE SETTING AUDIT

MOUNTAIN SHADOWS COMMUNITY HOMES—OLIVE
ESCONDIDO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1396894291

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—OLIVE
NATIONAL PROVIDER IDENTIFIER (NPI) 1396894291
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	$	803,918	$	151.11
Net Audit Adjustment		0		0.00
Audited Cost/Cost Per Day	$	803,918	$	151.11

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—OLIVE

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

NPI:
1396894291

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	4,955	4,955
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	365	365
4. Total Client Days	5,320	5,320
5. Total Client Care Expenses (From Sch. 2)	$ 803,918	$ 803,918
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 151.11	$ 151.11
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—OLIVE

Fiscal Period:
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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		$ 8,604	$	$ 8,604
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)		$ 8,604	$ 0	$ 8,604
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 10,373	$	$ 10,373
085	Utilities		10,554		10,554
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		42,242		42,242
100	Personal Care and Laundry		18,483		18,483
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 81,652	$ 0	$ 81,652
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 90,256	$ 0	$ 90,256
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 17,727	$	$ 17,727
120	QMRP Fringe Benefits		1,729		1,729
125	Lead Salaries		61,043		61,043
130	Lead Fringe Benefits		15,479		15,479
135	Aides Salaries		231,161		231,161
140	Aides Fringe Benefits		58,616		58,616
145	Other Salaries		37,521		37,521
150	Other Fringe Benefits		8,640		8,640
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) *		$ 431,915	$ 0	$ 431,915

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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		$ 1,889	$	$ 1,889
165	Speech Pathology Consultant		1,840		1,840
170	Physical Therapy Consultant		2,500		2,500
175	Occupational Therapy Consultant		2,860		2,860
180	Pharmacist Consultant		301		301
185	Nurse Consultant		0		0
190	Psychologist Consultant		587		587
195	Physician Consultant		1,932		1,932
200	Recreational Consultant		1,748		1,748
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 13,657	$ 0	$ 13,657
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$ 11,818	$	$ 11,818
225	Administrative Fringe Benefits		1,152		1,152
226	Quality Assurance Fees (Excluding Adult Day Services)		44,547		44,547
230	Other General and Administrative (Excluding Adult Day Services)		210,573		210,573
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 268,090	$ 0	$ 268,090
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 803,918	$ 0	$ 803,918
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
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)		$ 803,918	$ 0	$ 803,918

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