REPORT
ON THE
RATE SETTING AUDIT

KALFUSS HOUSE
DESERT HOT SPRINGS, CALIFORNIA
PROVIDER NUMBER: LTC80243F
NATIONAL PROVIDER IDENTIFIER: 1093852899

FISCAL PERIOD ENDED
JUNE 30, 2010

Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Margaret A. Varho
Audit Supervisor: Felipe Avila
Auditor: Andre Shammas

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR
GOVERNOR

Date: December 1, 2011

Mary Meze, Controller
Angel View Crippled Children's Foundation, Inc.
12379 Miracle Hills Road
Desert Hot Springs, CA 92240

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We have examined the facility's Financial Records and 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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	498,556	$	228.91
Net Audit Adjustment		(11,525)		(5.30)
Audited Cost/Cost Per Day	$	487,031	$	223.61

This audit report includes the:

1. Audit Report Schedules1 through 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
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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 95899-7413

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 95814-5005
(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—Santa Ana at (714) 558-4434.

(***Original signed by Margaret Varho***)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
KALFUSS HOUSE

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

Provider NPI:
1093852899

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY		AS REPORTED	AS AUDITED
1.	Medi-Cal Client Days (Adj)	2,178	2,178
2.	Medi-Cal Managed Care Days (Adj)	0	0
3.	Other Client Days (Adj)	0	0
4.	Total Client Days	2,178	2,178
5.	Total Client Care Expenses (From Sch. 2)	$ 498,556	$ 487,031
6.	AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 228.91	$ 223.61
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:
KALFUSS HOUSE

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

Provider NPI:
1093852899

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	1	$ 11,563	$ (9,599)	$ 1,964
050	Leases and Rentals				0
055	Real Property Taxes		56		56
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		1,206		1,206
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 12,825	$ (9,599)	$ 3,226
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 10,410	$	$ 10,410
085	Utilities	4	16,144	(201)	15,943
090	Client Transportation (excluding Adult Day Services)		10		10
095	Dietary		21,550		21,550
100	Personal Care and Laundry	3,5	19,024	(835)	18,189
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 67,138	$ (1,036)	$ 66,102
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 79,963	$ (10,635)	$ 69,328
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 17,112	$	$ 17,112
120	QMRP Fringe Benefits	2	5,613	(58)	5,555
125	Lead Salaries		33,538		33,538
130	Lead Fringe Benefits	2	11,001	(113)	10,888
135	Aides Salaries		97,318		97,318
140	Aides Fringe Benefits	2	31,922	(328)	31,594
145	Other Salaries		70,033		70,033
150	Other Fringe Benefits	2	22,972	(236)	22,736
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 289,509	$ (735)	$ 288,774

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
KALFUSS HOUSE

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

Provider NPI:
1093852899

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,642	$	$ 1,642
165	Speech Pathology Consultant		175		175
170	Physical Therapy Consultant		2,475		2,475
175	Occupational Therapy Consultant		2,541		2,541
180	Pharmacist Consultant		370		370
185	Nurse Consultant				0
190	Psychologist Consultant		1,200		1,200
195	Physician Consultant		4,357		4,357
200	Recreational Consultant		2,336		2,336
205	Social Service Consultant				0
210	Other Consultant		90		90
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 15,186	$ 0	$ 15,186
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$	$	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		19,744		19,744
230	Other General and Administrative*** (Excluding Adult Day Services)	4,6	94,154	(155)	93,999
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 113,898	$ (155)	$ 113,743
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 498,556	$ (11,525)	$ 487,031
	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)		$ 498,556	$ (11,525)	$ 487,031

** List only direct administrative salaries incurred at the facility level
*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
KALFUSS HOUSE	JULY 1, 2009 THROUGH JUNE 30, 2010	1093852899	6

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	45	4	2	45	3	Depreciation and Amortization To eliminate depreciation expenses from assets that were acquired b restricted donations 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Sections 606 and 230	$11,563	($9,599)	$1,964
2	4.1	120	4	2	120	3	QMRP Fringe Benefits	$5,613	($58)	$5,555
	4.1	130	4	2	130	3	Lead Fringe Benefits	11,001	(113)	10,888
	4.1	140	4	2	140	3	Aides Fringe Benefits	31,922	(328)	31,594
	4.1	150	4	2	150	3	Other Fringe Benefits To adjust benefits to agree with the Federal Insurance Contributions Act and State Unemployment Insurance calculation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	22,972	(236)	22,736
3	4	100	4	2	100	3	Personal Care and Laundry To eliminate medical cost not included in the per diem rate. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2203.2.	$19,024	($66)	$18,958 *
4	4	85	4	2	85	3	Utilities	$16,144	($201)	$15,943
	4.1	230	4	2	230	3	Other Administrative and General To eliminate cost related to the home office and to allocate the facility's portion. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	94,154	10	94,164 *
5	4	100	4	2	100	3	Personal Care and Laundry * To abate restricted donation income against cost incurred during recreational activities. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Sections 606 and 2328	$18,958	($769)	$18,189
6	4.1	230	4	2	230	3	Other Administrative and General * To eliminate client/employee gifts due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$94,164	($165)	$93,999

*Balance carried forward from prior/to subsequent adjustments