

**REPORT
ON THE
RATE SETTING AUDIT**

**DISCOVERING HORIZONS, INC. - BALBOA
NORTH HILLS, CALIFORNIA**

PROVIDER NUMBERS: LTC80359F / NPI1114145760

**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: Henry Kwan
Auditor: Peter Scollan**



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



EDMUND G. BROWN JR
GOVERNOR

August 1, 2011

Diane Thorsell
Chief Finance Officer
San Fernando Valley Association for the Retarded, Inc.
15725 Parthenia Street
North Hills, California 91343

PROVIDER: DISCOVERING HORIZONS, INC. - BALBOA
PROVIDER NOS. LTC80359F / NPI1114145760
FISCAL PERIOD ENDED JUNE 30, 2010

We have examined the facility's Integrated Disclosure 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:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	446,222	\$ 203.75
Net Audit Adjustment		(57)	(0.02)
Audited Cost/Cost Per Day	\$	<u>446,165</u>	\$ <u>203.73</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 Rate Development Branch.

Diane Thorsell
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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:

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—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:
DISCOVERING HORIZONS, INC. - BALBOA

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

Provider Number:
LTC80359F

Provider NPI:
1114145760

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>446,222</u>	\$ <u>446,165</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>203.75</u>	\$ <u>203.73</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</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:
DISCOVERING HORIZONS, INC. - BALBOA

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

Provider Number:
LTC80359F

NPI:
1114145760

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	\$ 0	\$ 0
050	Leases and Rentals		0	0	0
055	Real Property Taxes		0	0	0
060	Personal Property Taxes		0	0	0
065	Mortgage Interest		0	0	0
070	Property Insurance		556	0	556
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 556	\$ 0	\$ 556
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 9,044	\$ 0	\$ 9,044
085	Utilities		1,631	0	1,631
090	Client Transportation		10,354	0	10,354
095	Dietary		19,066	0	19,066
100	Personal Care and Laundry		9,140	0	9,140
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 49,235	\$ 0	\$ 49,235
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 49,791	\$ 0	\$ 49,791
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 20,044	\$ 0	\$ 20,044
120	QMRP Fringe Benefits		5,678	0	5,678
125	Lead Salaries		24,632	0	24,632
130	Lead Fringe Benefits		6,978	0	6,978
135	Aides Salaries		131,307	0	131,307
140	Aides Fringe Benefits		37,196	0	37,196
145	Other Salaries		14,025	0	14,025
150	Other Fringe Benefits		3,973	0	3,973
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 243,833	\$ 0	\$ 243,833

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DISCOVERING HORIZONS, INC. - BALBOA

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

Provider Number:
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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		\$ 1,077	\$ 0	\$ 1,077
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		2,133	0	2,133
180	Pharmacist Consultant		355	0	355
185	Nurse Consultant		5,620	0	5,620
190	Psychologist Consultant		2,398	0	2,398
195	Physician Consultant		0	0	0
200	Recreational Consultant		0	0	0
205	Social Service Consultant		590	0	590
210	Other Consultant		24,076	0	24,076
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 36,249	\$ 0	\$ 36,249
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$ 25,330	\$ 0	\$ 25,330
225	Administrative Fringe Benefits		7,175	0	7,175
226	Quality Assurance Fees		25,846	0	25,846
230	Other General and Administrative	1	57,998	(57)	57,941
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 116,349	\$ (57)	\$ 116,292
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 446,222	\$ (57)	\$ 446,165
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$ 0	\$ 0	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 446,222	\$ (57)	\$ 446,165

Provider Name		Fiscal Period				Provider Number		Adjustment	
DISCOVERING HORIZONS, INC. - BALBOA		JULY 1, 2009 THROUGH JUNE 30, 2010				LTC80359F			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch.	Line				Col
1	4.1	230	4	2	230	\$57,998	(\$57)	\$57,941	
<p>Other General and Administrative To eliminate a portion of CAHF membership dues not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2139</p> <p style="text-align: center;">ADJUSTMENT TO REPORTED COSTS</p>									