

**REPORT
ON THE
RATE SETTING AUDIT**

**LOMA SOLA
UPLAND, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1164606380**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Lucia Martinez
Auditor: May Liu**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

December 15, 2011

Nancy Segaar, Treasurer
Ability Pathways, Inc.
1042 North Mountain Avenue, Suite B, Box 447
Upland, CA 91786-3695

LOMA SOLA
NATIONAL PROVIDER IDENTIFIER (NPI) 1164606380
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:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	445,491	\$ 203.42
Net Audit Adjustment		(21,049)	(9.61)
Audited Cost/Cost Per Day	\$	<u>424,442</u>	\$ <u>193.81</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustment Schedule
3. Audited Allocation of Home Office Cost

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
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.

Nancy Segaar
Page 3

If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

cc: Samantha A. Parola, CPA
Wiebe & Associates
377 North Central Avenue
Upland, CA 91786

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

Provider:
LOMA SOLA

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

Provider NPI:
1164606380

**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. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>445,491</u>	\$ <u>424,442</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>203.42</u>	\$ <u>193.81</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> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOMA SOLA

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

Provider NPI:
1164606380

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	\$ 1,092	\$ 144	\$ 1,236
050	Leases and Rentals		31,879		31,879
055	Real Property Taxes		3,145		3,145
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		1,909		1,909
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 38,025	\$ 144	\$ 38,169
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2,3	\$ 38,835	\$ (20,168)	\$ 18,667
085	Utilities		7,452		7,452
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		15,035		15,035
100	Personal Care and Laundry		1,454		1,454
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 62,776	\$ (20,168)	\$ 42,608
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 100,801	\$ (20,024)	\$ 80,777
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 16,173	\$	\$ 16,173
120	QMRP Fringe Benefits		3,337		3,337
125	Lead Salaries		28,969		28,969
130	Lead Fringe Benefits		5,979		5,979
135	Aides Salaries		86,827		86,827
140	Aides Fringe Benefits		18,919		18,919
145	Other Salaries		48,864		48,864
150	Other Fringe Benefits		10,085		10,085
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 219,153	\$ 0	\$ 219,153

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOMA SOLA

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

Provider NPI:
1164606380

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 886	\$	\$ 886
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,440		1,440
175	Occupational Therapy Consultant		1,069		1,069
180	Pharmacist Consultant		400		400
185	Nurse Consultant		10,227		10,227
190	Psychologist Consultant		3,240		3,240
195	Physician Consultant		3,480		3,480
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 20,742	\$ 0	\$ 20,742
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		19,892		19,892
230	Other General and Administrative*** (excluding Adult Day Services)	4	84,903	(1,025)	83,878
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 104,795	\$ (1,025)	\$ 103,770
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 445,491	\$ (21,049)	\$ 424,442
	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)		\$ 445,491	\$ (21,049)	\$ 424,442

Page 2 of 2

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name		Fiscal Period		Provider NPI		Adjustments		
LOMA SOLA		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1164606380		4		
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report	Line	Col			
		Line	Col.	Sch.	Line	Col		
ADJUSTMENTS TO REPORTED COSTS								
1	4	045	4	2	045	3	\$1,092	\$1,236
Depreciation and Amortization To include depreciation expense on the assets to be capitalized in conjunction with adjustment 3 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300								
2	4	080	4	2	080	3	\$38,835	(\$2,941)
Home Operations and Maintenance To eliminate plumbing expenses applicable to a related facility. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 2300 and 2304								
3	4	230	4	2	230	3	\$84,903	(\$18,667)
To eliminate expense for assets that should have been capitalized. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300								
4	4.1	230	4	2	230	3	\$84,903	\$83,878
Other General and Administrative To adjust reported home office costs to agree with the Ability Pathways, 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								