REPORT ON THE
RATE SETTING AUDIT

MOUNTAIN SHADOWS SPECIAL KIDS
HOMES—BAIN HOUSE
RIVERSIDE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1306995220

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: Jing H. Zhang

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 SPECIAL KIDS HOMES—BAIN HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1306995220
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	$	422,205	$	197.94
Net Audit Adjustment		0		(2.20)
Audited Cost/Cost Per Day	$	422,205	$	195.74

This audit report includes the:

1. Audit Report Schedules 1 and 2

2. Audit Adjustments that include a summary of the total due the State in the amount of $206, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of

Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status.

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 SPECIAL KIDS HOMES—BAIN HOUSE

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

NPI:
1306995220

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,133	2,133
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj 1)	0	24
4. Total Client Days (Adj 1)	2,133	2,157
5. Total Client Care Expenses (From Sch. 2)	$ 422,205	$ 422,205
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 197.94	$ 195.74
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ N/A	$ 0
OVERPAYMENTS		
1. Bed Hold Overpayments (Adj 2)	$ N/A	$ 206
2. Credit Balances (Adj)	$ N/A	$ 0
3. Total Overpayments (Adj 2)	$ 0	$ 206

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE

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

NPI:
1306995220

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
050	Leases and Rentals		30,250		30,250
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)		$ 30,250	$ 0	$ 30,250
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 1,861	$	$ 1,861
085	Utilities		5,708		5,708
090	Client Transportation (Excluding Adult Day Services)		0		0
095	Dietary		8,567		8,567
100	Personal Care and Laundry		14,047		14,047
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100) *		$ 30,182	$ 0	$ 30,182
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 60,432	$ 0	$ 60,432
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 6,954	$	$ 6,954
120	QMRP Fringe Benefits		865		865
125	Lead Salaries		35,430		35,430
130	Lead Fringe Benefits		8,941		8,941
135	Aides Salaries		71,457		71,457
140	Aides Fringe Benefits		18,033		18,033
145	Other Salaries		73,295		73,295
150	Other Fringe Benefits		18,291		18,291
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) *		$ 233,265	$ 0	$ 233,265

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE

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

NPI:
1306995220

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,257	$	$ 1,257
165	Speech Pathology Consultant		1,458		1,458
170	Physical Therapy Consultant		1,325		1,325
175	Occupational Therapy Consultant		1,025		1,025
180	Pharmacist Consultant		116		116
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		3,780		3,780
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210) *		$ 8,960	$ 0	$ 8,960
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$ 4,636	$	$ 4,636
225	Administrative Fringe Benefits		577		577
226	Quality Assurance Fees (Excluding Adult Day Services)		20,253		20,253
230	Other General and Administrative (Excluding Adult Day Services)		94,082		94,082
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230) *		$ 119,547	$ 0	$ 119,547
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235) *		$ 422,205	$ 0	$ 422,205
	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) *		$ 422,205	$ 0	$ 422,205

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

Provider Name	Fiscal Period	NPI	Adjustments
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1306995220	2

Report References										
	Cost Report			Audit Report						
Adj. No.	DHCS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED PATIENT DAYS			
1	2 of 6	3	3	1	3		Other Client Days	0	24	24
	2 of 6	3	4	1	4		Total Client Days	2,133	24	2,157
							To include other client days to agree with the provider's client censu reports.			
							CCR, Title 22, Sections 51535.1(b), 51535.1(c)(3), and 73504(a)			

Provider Name	Fiscal Period	NPI	Adjustments
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1306995220	2

Report References										
	Cost Report			Audit Report						
Adj. No.	DHCS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO OTHER MATTERS			
2	N/A			1	1		Bed Hold Overpayments	$0	$206	$206
	N/A			1	3		Total Overpayments	0	206	206
							To recover overpayment for bed hold days in excess of seven consecutive days for each period of acute hospitalization. CMS Pub. 15-1, Section 2205 CCR, Title 22, Sections 51458.1, 51535, and 51535.1			

Provider Name	Fiscal Period	NPI	Adjustments
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1306995220	2

Report References										
	Cost Report			Audit Report						
Adj. No.	DHCS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	NPI	Adjustments
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1306995220	2

Report References										
	Cost Report			Audit Report						
Adj. No.	DHCS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted

*Balance carried forward from prior/to subsequent adjustments