

**REPORT
ON THE
HOME OFFICE AUDIT**

**OUR HOUSE RESIDENTIAL CARE, INC.
MADERA, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section - Fresno
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Michael Harrold
Auditor: Sandy Feng**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 17, 2010

Carolyn Pipes, Owner
Our House Residential Care, Inc.
109 East Central Avenue
Madera, CA 93638

OUR HOUSE RESIDENTIAL CARE, INC.
FISCAL PERIOD ENDED DECEMBER 31, 2009

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2009. 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 Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Carolyn Pipes, Owner
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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COMPARISON OF REPORTED AND AUDITED
HOME OFFICE COSTHOME OFFICE:
OUR HOUSE RESIDENTIAL CARE, INC.FISCAL PERIOD ENDED:
DECEMBER 31, 2009

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
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(From Sch 2, Col 6) (Col 5 - Col 4)

1.	Our House - Westgate	LTC80042F	12/31/09	\$83,809	\$27,859	(\$55,950)
2.	Our House - Williams	LTC80056F	12/31/09	83,809	27,858	(55,951)
3.	Our House - Sunset	LTC80070F	12/31/09	82,893	27,554	(55,339)
4.	Our House - Shannon	LTC80146F	12/31/09	83,809	27,859	(55,950)
5.	Our House - Berry	LTC80145G	12/31/09	83,809	27,859	(55,950)
6.	Our House - Westberry	LTC80358F	12/31/09	83,809	27,859	(55,950)
7.				0	0	0
8.				0	0	0
9.				0	0	0
10.				0	0	0
11.				0	0	0
12.				0	0	0
13.				0	0	0
14.				0	0	0
15.				0	0	0
16.				0	0	0
17.				0	0	0
18.				0	0	0
19.				0	0	0
20.				0	0	0
21.				0	0	0
22.				0	0	0
23.				0	0	0
24.				0	0	0
25.				0	0	0
TOTALS				\$501,938	\$166,848	(\$335,090)

SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:
OUR HOUSE RESIDENTIAL CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

CHAIN COMPONENTS 1	MEDI-CAL NUMBER 2	FISCAL YEAR END 3	DIRECT EXPENSES 4	POOLED EXPENSES 5	TOTAL DIRECT & POOLED FACILITY EXPENSE 6
			(From Sch 4)	(From Sch 3)	(Col 4 + Col 5)
1. Our House - Westgate	LTC80042F	12/31/09	\$0	\$27,859	\$27,859
2. Our House - Williams	LTC80056F	12/31/09	0	27,858	27,858
3. Our House - Sunset	LTC80070F	12/31/09	0	27,554	27,554
4. Our House - Shannon	LTC80146F	12/31/09	0	27,859	27,859
5. Our House - Berry	LTC80145G	12/31/09	0	27,859	27,859
6. Our House - Westberry	LTC80358F	12/31/09	0	27,859	27,859
7.			0	0	0
8.			0	0	0
9.			0	0	0
10.			0	0	0
11.			0	0	0
12.			0	0	0
13.			0	0	0
14.			0	0	0
15.			0	0	0
16.			0	0	0
17.			0	0	0
18.			0	0	0
19.			0	0	0
20.			0	0	0
21.			0	0	0
22.			0	0	0
23.			0	0	0
24.			0	0	0
25.			0	0	0
TOTALS			\$0	\$166,848	\$166,848

(To Sch 1)

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:
OUR HOUSE RESIDENTIAL CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY 1	Allocation Statistics Base: Accumulated Cost 2	Percent 3	Allocation Pool Expenses 4
Program Services (Adj)	501,938	100.0000%	\$166,848
Nonprogram Services (Adj)		0.0000%	0
TOTAL	501,938	100.0000%	\$166,848

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	MEDI-CAL NUMBER	Audit Adjustment	Allocation Statistic: (Patient Days)	Allocated Pool Expense (Col 3 X UCM)
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1. Our House - Westgate	LTC80042F		2,190	\$27,859
2. Our House - Williams	LTC80056F		2,190	27,858
3. Our House - Sunset	LTC80070F		2,166	27,554
4. Our House - Shannon	LTC80146F		2,190	27,859
5. Our House - Berry	LTC80145G		2,190	27,859
6. Our House - Westberry	LTC80358F		2,190	27,859
7.				0
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0

TOTALS

13,116 \$166,848

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	12.720952
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:
OUR HOUSE RESIDENTIAL CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

CHAIN COMPONENTS 1	MEDI-CAL NUMBER	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			specify expense 3 (Adj)	specify expense 4 (Adj)	specify expense 5 (Adj)	specify expense 6 (Adj)	
1. Our House - Westgate	LTC80042F	\$0	\$0	\$0	\$0	\$0	\$0
2. Our House - Williams	LTC80056F	0	0	0	0	0	0
3. Our House - Sunset	LTC80070F	0	0	0	0	0	0
4. Our House - Shannon	LTC80146F	0	0	0	0	0	0
5. Our House - Berry	LTC80145G	0	0	0	0	0	0
6. Our House - Westberry	LTC80358F	0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
21.		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
TOTALS		\$0	\$0	\$0	\$0	\$0	\$0

(To Sch 2)

STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:
OUR HOUSE RESIDENTIAL CARE, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2009

ACCOUNT DESCRIPTION 1	REPORTED POOLED COSTS 2	COST AUDIT ADJUSTMENTS 3	POOLED COSTS SUBTOTAL 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adj 1-2)	(Col 2 + Col 3)	(Adj)	(Col 4 - Col 5)
1. Salaries - Officers	\$250,390	(\$250,390)	\$0		\$0
2. Salaries - Others	107,947	(32,953)	74,994		74,994
3. Payroll Taxes	49,822	(42,783)	7,039		7,039
4. Employee Benefits	19,742	(8,964)	10,778		10,778
5. Travel	4,152		4,152		4,152
6. Entertainment	754		754		754
7. Automobile	0		0		0
8. Depreciation - Building	0		0		0
9. Depreciation - Equipment	0		0		0
10. Other Depreciation & Amortization	0		0		0
11. Leases and Rentals	1,475		1,475		1,475
12. Interest - Mortgages	0		0		0
13. Interest - Other	0		0		0
14. Taxes and Licenses	0		0		0
15. Legal and Accounting	6,665		6,665		6,665
16. Insurance	0		0		0
17. Telephone	2,670		2,670		2,670
18. Utilities	3,624		3,624		3,624
19. Office Supplies	38,601		38,601		38,601
20. Nonprogram	0		0		0
21. Other (Specify)	0		0		0
22. First Aid	4,026		4,026		4,026
23. Finger Prints	3,337		3,337		3,337
24. Security	1,600		1,600		1,600
25. Computran	1,375		1,375		1,375
26. Timeclock Software	621		621		621
27. Recruiting	2,120		2,120		2,120
28. Computer Support & Repairs	1,733		1,733		1,733
29. Postage	1,284		1,284		1,284
30.			0		0
31.			0		0
32.			0		0
33.			0		0
34.			0		0
TOTAL EXPENSES	\$501,938	(\$335,090)	\$166,848		\$166,848

(To Sch 4) (To Sch 3)

Provider Name		Fiscal Period		Provider Number		Adjustments		
OUR HOUSE RESIDENTIAL CARE, INC.		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		N/A		2		
Adj. No.	DHS3099 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Line	Line			
ADJUSTMENTS TO REPORTED POOLED COSTS								
1	2	2	6	5	2.00	Salaries - Other	\$107,947	\$74,994
	2	3	6	5	3.00	Payroll Taxes	49,822	26,365 *
	2	4	6	5	4.00	Employee Benefits	19,742	27,491 *
To adjust payroll expenses to agree with the provider's payroll summary report.								
42 CFR 413.20 and 413.24								
CMS Pub. 15-1, Sections 2300 and 2304								
2	2	1	6	5	1.00	Salaries - Officers	\$250,390	\$0
	2	3	6	5	3.00	Payroll Taxes	26,365	7,039
	2	4	6	5	4.00	Employee Benefits	27,491	10,778
To eliminate salaries and benefits expense for owners and relatives of owners due to insufficient documentation.								
42 CFR 413.17, 413.20, 413.24 and 413.102								
CMS Pub. 15-1, Sections 900, 901, 902, 904, 1000, 1002, 1004, 1005, 2150, 2300 and 2304								
W & I Code, Section 14124.2(b)								

*Balance carried forward from prior/to subsequent adjustments