

**REPORT
ON THE
RATE SETTING AUDIT**

**HARBOR VILLAGE V
COSTA MESA, CALIFORNIA
PROVIDER NUMBER: LTC61038F**

**FISCAL PERIOD ENDED
JUNE 30, 2007**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Claudia Sanjuan**



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 23, 2008

Sally Blanco-Braun, Controller
Independent Options, Inc
P.O. Box 2197
Corona, CA 92878

PROVIDER: HARBOR VILLAGE V
PROVIDER NO. LTC61038F
FISCAL PERIOD ENDED JUNE 30, 2007

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 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	\$	386,391	\$ 180.14
Net Audit Adjustment		(948)	(0.45)
Audited Cost/Cost Per Day	\$	<u>385,443</u>	\$ <u>179.69</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
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.

Sally Blanco-Braun
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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—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:
HARBOR VILLAGE V

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC61038F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,145	2,145
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,145</u>	<u>2,145</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>386,391</u>	\$ <u>385,443</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>180.14</u>	\$ <u>179.69</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>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:
HARBOR VILLAGE V

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC61038F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 2,762	\$	\$ 2,762
050	Leases and Rentals		24,938		24,938
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,700	\$ 0	\$ 27,700
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 8,000	\$ (900)	\$ 7,100
085	Utilities		2,263		2,263
090	Client Transportation		11,765		11,765
095	Dietary	2	11,014	(48)	10,966
100	Personal Care and Laundry		4,698		4,698
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,740	\$ (948)	\$ 36,792
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 65,440	\$ (948)	\$ 64,492
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 22,400	\$	\$ 22,400
120	QMRP Fringe Benefits		1,893		1,893
125	Lead Salaries		52,089		52,089
130	Lead Fringe Benefits		4,912		4,912
135	Aides Salaries		97,691		97,691
140	Aides Fringe Benefits		11,014		11,014
145	Other Salaries		16,158		16,158
150	Other Fringe Benefits		1,339		1,339
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 207,496	\$ 0	\$ 207,496

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HARBOR VILLAGE V

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC61038F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 800	\$	\$ 800
165	Speech Pathology Consultant		1,980		1,980
170	Physical Therapy Consultant		1,620		1,620
175	Occupational Therapy Consultant		2,760		2,760
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		1,705		1,705
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,865	\$ 0	\$ 8,865
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		27,742		27,742
230	Other Administrative and General		76,848		76,848
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 104,590	\$ 0	\$ 104,590
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 386,391	\$ (948)	\$ 385,443
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 386,391	\$ (948)	\$ 385,443

SUMMARY OF AUDITED LABOR REPORT

Provider:
HARBOR VILLAGE V

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC61038F

Line No.	Description	AS AUDITED			Average Hourly Wage (Col 2 / Col 3)
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 1,893	\$ 22,400	1,056	\$ 21.21
2	Lead	4,912	52,089	5,727	9.09
3	Aides	11,014	97,691	11,701	8.35
4	Other	1,339	16,158	616	26.24
5	TOTAL DIRECT CARE (Lines1 through 4)	\$ 19,158	\$ 188,338	19,100	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 800	20	\$ 40.00
7	Speech Pathology		1,980	36	55.00
8	Physical Therapy		1,620	36	45.00
9	Occupational Therapy		2,760	48	57.50
10	Pharmacist				0.00
11	Nurse				0.00
12	Psychologist		1,705	31	55.00
13	Physician				0.00
14	Recreational				0.00
15	Social Service				0.00
16	Other				0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 8,865	171	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$	\$		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 19,158	\$ 197,203	19,271	

Provider Name		Fiscal Period		Provider Number		Adjustments			
HARBOR VILLAGE V		JULY 1, 2006 TO JUNE 30, 2007		LTC61038F		2			
Adj. No.	Report References		AUDIT REPORT		As Reported	Increase (Decrease)	As Adjusted		
	COST REPORT	Line	Col.	Sch				Line	
1	4	80	4	2	80.00	Home Operations and Maintenance To eliminate bad debt expense that is not recognized under the Medi-Cal program. 42 CFR 413.80 and 413.178 / CMS Pub. 15-1, Section 300	\$8,000	(\$900)	\$7,100
2	4	95	4	2	95.00	Dietary To eliminate dietary and food supplies expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$11,014	(\$48)	\$10,966
ADJUSTMENTS TO REPORTED COSTS									