

**REPORT ON THE  
RATE SETTING AUDIT**

**LA PALOMA GROUP HOME  
LOMPOC, CALIFORNIA  
PROVIDER NUMBER: LTC60512F**

**FISCAL PERIOD ENDED  
JUNE 30, 2007**

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

**Section Chief: Cheryl Phillips  
Audit Supervisor: Cyrus C. Lam  
Auditor: Minh Nguyen**



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



ARNOLD SCHWARZENEGGER  
Governor

November 5, 2008

Elen Vanderhoof  
Chief Financial Officer  
La Paloma Group Home  
116 North I Street  
Lompoc, CA 93436

PROVIDER: LA PALOMA GROUP HOME  
PROVIDER NO. LTC60512F  
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	\$	347,227	\$ 158.55
Net Audit Adjustment		<u>(86)</u>	<u>(0.04)</u>
Audited Cost/Cost Per Day	\$	<u>347,141</u>	\$ <u>158.51</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
2. Audit Adjustment 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.

Elen Vanderhoof  
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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—Gardena at (310) 516-4757.

Signed By:

Cheryl Phillips, Chief  
Audits Section—Gardena  
Financial Audits Branch

Certified

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

**Provider:**  
LA PALOMA GROUP HOME

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

**Provider Number:**  
LTC60512F

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,190	2,190
2. Other Client Days (Adj )		0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>347,227</u>	\$ <u>347,141</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>158.55</u>	\$ <u>158.51</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 )	\$ _____	\$ _____
2. Credit Balances (Adj )	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
LA PALOMA GROUP HOME

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

Provider Number:  
LTC60512F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 3,639	\$	\$ 3,639
050	Leases and Rentals		14,760		14,760
055	Real Property Taxes		47		47
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	6	451	(197)	254
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 18,897	\$ (197)	\$ 18,700
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 5,972	\$	\$ 5,972
085	Utilities		4,808		4,808
090	Client Transportation		5,803		5,803
095	Dietary		18,208		18,208
100	Personal Care and Laundry		2,707		2,707
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,498	\$ 0	\$ 37,498
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 56,395	\$ (197)	\$ 56,198
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries	2	\$ 34,858	\$ (678)	\$ 34,180
120	QMRP Fringe Benefits		8,210		8,210
125	Lead Salaries	3	14,730	(237)	14,493
130	Lead Fringe Benefits		4,428		4,428
135	Aides Salaries	5	110,002	1,338	111,340
140	Aides Fringe Benefits		37,580		37,580
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 209,808	\$ 423	\$ 210,231

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
LA PALOMA GROUP HOME

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

Provider Number:  
LTC60512F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,245	\$	\$ 1,245
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		540		540
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant	1	10,891	(470)	10,421
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		246		246
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 12,922	\$ (470)	\$ 12,452
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries	4	\$ 21,601	\$ 158	\$ 21,759
225	Administrative Fringe Benefits		4,131		4,131
226	Quality Assurance Fees		22,970		22,970
230	Other Administrative and General		19,400		19,400
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,102	\$ 158	\$ 68,260
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 347,227	\$ (86)	\$ 347,141
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 347,227	\$ (86)	\$ 347,141

## SUMMARY OF AUDITED LABOR REPORT

**Provider:**  
LA PALOMA GROUP HOME

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

**Provider Number:**  
LTC60512F

Line No.	Description	AS AUDITED			Average Hourly Wage (Col 2 / Col 3)
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	
	<b>DIRECT CARE STAFF</b>				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 8,210	\$ 34,180	2,055	\$ 16.63
2	Lead	4,428	14,493	1,191	12.17
3	Aides	37,580	111,340	10,940	10.18
4	Other	0	0		0.00
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 50,218	\$ 160,013	14,186	
	<b>CONSULTANT STAFF</b>				
6	Dietician	\$	\$ 1,245	42	\$ 29.64
7	Speech Pathology				0.00
8	Physical Therapy		540	9	60.00
9	Occupational Therapy				0.00
10	Pharmacist				0.00
11	Nurse	1,589	8,832	320	27.60
12	Psychologist				0.00
13	Physician				0.00
14	Recreational	36	210	7	30.00
15	Social Service				0.00
16	Other				0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 1,625	\$ 10,827	378	
	<b>ADMINISTRATIVE STAFF</b>				
18	Administrative Staff	\$ 4,131	\$ 21,759	770	\$ 28.26
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 55,974	\$ 192,599	15,334	

Provider Name		Fiscal Period				Provider Number		Adjustments	
LA PALOMA GROUP HOME		JULY 1, 2006 THROUGH JUNE 30, 2007				LTC60512F		6	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch	Line				
<b>ADJUSTMENTS TO REPORTED COSTS</b>									
1	4.1	185	4	2	185.00	Nurse Consultant	\$10,891	(\$470)	\$10,421
						To adjust nurse consultant salaries to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
2	4.1	115	4	2	115.00	QMRP Salaries	\$34,858	(\$678)	\$34,180
						To adjust QMRP salaries to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
3	4.1	125	4	2	125.00	Lead Salaries	\$14,730	(\$237)	\$14,493
						To adjust lead salaries to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
4	4.1	220	4	2	220.00	Administrative Salaries	\$21,601	\$158	\$21,759
						To adjust administrative salaries to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
5	4.1	135	4	2	135.00	Aides Salaries	\$110,002	\$1,338	\$111,340
						To adjust aides salaries to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
6	4	70	4	2	70.00	Property Insurance	\$451	(\$197)	\$254
						To adjust property insurance expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			