

**REPORT
ON THE
RATE SETTING AUDIT**

**PECK HOUSE
TORRANCE, CALIFORNIA
PROVIDER NUMBER: LTC60594F
NATIONAL PROVIDER IDENTIFIER: 1861618340**

**FISCAL PERIOD ENDED
DECEMBER 31, 2007**

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

**Section Chief: Cheryl Phillips
Audit Supervisor: Gertrude Lake
Auditor: Haisong Peng**



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



ARNOLD SCHWARZENEGGER
Governor

December 22, 2008

Administrator
Peck House
2630 Dalemead
Torrance, CA 90503

PROVIDER: PECK HOUSE
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We have examined the facility's 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 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	\$	286,730	\$ 151.15
Net Audit Adjustment		(8,908)	9.26
Audited Cost/Cost Per Day	\$	<u>277,822</u>	\$ <u>160.41</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
2. Audit Adjustments Schedule
3. Allocation from Filed 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
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.

Administrator
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Signed By:

Cheryl Phillips, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

cc: Patricia D. Hoskins, Bookkeeper
Frederick I. Hoskins, Inc.
P.O.Box 923023
Sylmar, CA 91392

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

Provider:
PECK HOUSE

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60594F

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	1,897	1,732
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>1,897</u>	<u>1,732</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>286,730</u>	\$ <u>277,822</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>151.15</u>	\$ <u>160.41</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
OVERPAYMENTS		
1. Duplicate Payments (Adj)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	<u>\$ 0</u>	<u>\$ 0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PECK HOUSE

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60594F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$	\$	\$ 0
050	Leases and Rentals		34,715		34,715
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	2	1,527	(912)	615
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 36,242	\$ (912)	\$ 35,330
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,3	\$ 3,547	\$ 2,736	\$ 6,283
085	Utilities	3	6,289	(139)	6,150
090	Client Transportation		4,492		4,492
095	Dietary		7,290		7,290
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 21,618	\$ 2,597	\$ 24,215
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 57,860	\$ 1,685	\$ 59,545
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	5	\$ 25,363	\$ (1,000)	\$ 24,363
120	QMRP Fringe Benefits				0
125	Lead Salaries		23,976		23,976
130	Lead Fringe Benefits	1	5,797	(1,834)	3,963
135	Aides Salaries	1	71,955	(955)	71,000
140	Aides Fringe Benefits	1	23,192	(11,383)	11,809
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 150,283	\$ (15,172)	\$ 135,111

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PECK HOUSE

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60594F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	1	\$ 540	\$ (135)	\$ 405
165	Speech Pathology Consultant	4	1,657	(219)	1,438
170	Physical Therapy Consultant		275		275
175	Occupational Therapy Consultant		500		500
180	Pharmacist Consultant		360		360
185	Nurse Consultant		12,960		12,960
190	Psychologist Consultant		2,015		2,015
195	Physician Consultant				0
200	Recreational Consultant		193		193
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,500	\$ (354)	\$ 18,146
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 18,252	\$	\$ 18,252
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees				0
230	Other Administrative and General	1,6	41,835	4,933	46,768
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 60,087	\$ 4,933	\$ 65,020
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 286,730	\$ (8,908)	\$ 277,822
	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)		\$ 286,730	\$ (8,908)	\$ 277,822

SUMMARY OF AUDITED LABOR REPORT

Provider:
PECK HOUSE

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60594F

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 0	\$ 24,363	507	\$ 48.05
2	Lead	3,963	23,976	3,308	7.25
3	Aides	11,809	71,000	14,890	4.77
4	Other	0	0		0.00
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 15,772	\$ 119,339	18,705	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 405	11	\$ 36.82
7	Speech Pathology		1,438	17	84.59
8	Physical Therapy		275	5	55.00
9	Occupational Therapy		500	5	100.00
10	Pharmacist		360	8	45.00
11	Nurse		12,960	324	40.00
12	Psychologist		2,015	36	55.97
13	Physician				0.00
14	Recreational		193	6	32.17
15	Social Service				0.00
16	Other				0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 18,146	412	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$ 0	\$ 18,252		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 15,772	\$ 155,737	19,117	

Provider Name		Fiscal Period		Provider Number		Adjustments		
PECK HOUSE		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60594F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT					
ADJUSTMENTS TO REPORTED COSTS								
1	4	80	4	80.00	2	\$3,547	\$2,733	\$6,280 *
	4.1	130	4	130.00	2	5,797	(1,834)	3,963
	4.1	135	4	135.00	2	71,955	(955)	71,000
	4.1	140	4	140.00	2	23,192	(11,383)	11,809
	4.1	160	4	160.00	2	540	(135)	405
	4.1	230	4	230.00	2	41,835	(2,398)	39,437 *
Home Operations and Maintenance Lead Benefits Aides Salaries Aides Benefits Dietitian Consultant Other General and Administration To reconcile the reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
2	4	70	4	70.00	2	\$1,527	(\$912)	\$615
Property Insurance To adjust property insurance expenses to agree with the provider's insurance bills. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
3	4	80	4	80.00	2	\$6,280	\$3	\$6,283
	4	85	4	85.00	2	6,289	(139)	6,150
Home Operations and Maintenance Utilities To adjust general home expenses to the accrual basis. 42 CFR 413.24 / CMS Pub. 15-1, Sections 2300 and 2302.1								
4	4.1	165	4	165.00	2	\$1,657	(\$219)	\$1,438
Speech Pathology Consultant To adjust speech pathology consultant expense to the accrual basis. 42 CFR 413.24 / CMS Pub. 15-1, Sections 2300 and 2302.1								
5	4.1	115	4	115.00	2	\$25,363	(\$1,000)	\$24,363
QMRP Salaries To adjust QMRP salary to the accrual basis. 42 CFR 413.24 / CMS Pub. 15-1, Sections 2300 and 2302.1								
6	4.1	230	4	230.00	2	\$39,437	\$7,331	\$46,768
Other General and Administration To add provider's home office cost from filed home office cost report as part of total allowable cost to the provider. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304								

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments				
PECK HOUSE		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60594F		7				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT							
7	2	3	N/A	1	1.00	Medi-Cal Client Days	1,897	(165)	1,732	
						To adjust Medi-Cal client days to agree with the provider's patient census report. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304				
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>										