

**REPORT
ON THE
RATE SETTING AUDIT**

**OLMSTEAD HOME
ANAHEIM, CALIFORNIA
PROVIDER NUMBER: LTC60989F**

**FISCAL PERIOD ENDED
JULY 31, 2008**

**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: Clyde A. Perry**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

January 4, 2010

Oscar R. Cachuela, President
Cachuela ICF/DD-N Home, Inc.
1315 North Tustin, Suite I-399
Orange, CA 92867

PROVIDER: OLMSTEAD HOME
PROVIDER NO. LTC60989F
FISCAL PERIOD ENDED JULY 31, 2008

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 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	\$	301,397	\$ 154.88
Net Audit Adjustment		<u>(551)</u>	<u>(0.28)</u>
Audited Cost/Cost Per Day	\$	<u>300,846</u>	\$ <u>154.60</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
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.

Oscar R. Cachuela
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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 Stan Van Arsdale)

for

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
OLMSTEAD HOME

Fiscal Period:
AUGUST 1, 2007 THROUGH JULY 31, 2008

Provider Number:
LTC60989F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,946	1,946
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>1,946</u>	<u>1,946</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>301,397</u>	\$ <u>300,846</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>154.88</u>	\$ <u>154.60</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:
OLMSTEAD HOME

Fiscal Period:
AUGUST 1, 2007 THROUGH JULY 31, 2008

Provider Number:
LTC60989F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 8,608	\$	\$ 8,608
050	Leases and Rentals				0
055	Real Property Taxes		3,475		3,475
060	Personal Property Taxes				0
065	Mortgage Interest		15,566		15,566
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,649	\$ 0	\$ 27,649
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,506	\$	\$ 5,506
085	Utilities		3,867		3,867
090	Client Transportation	1	1,001	(300)	701
095	Dietary		8,593		8,593
100	Personal Care and Laundry		30		30
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 18,997	\$ (300)	\$ 18,697
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 46,646	\$ (300)	\$ 46,346
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	2	\$ 8,225	\$ (118)	\$ 8,107
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		147,100		147,100
140	Aides Fringe Benefits		18,158		18,158
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 173,483	\$ (118)	\$ 173,365

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
OLMSTEAD HOME

Fiscal Period:
AUGUST 1, 2007 THROUGH JULY 31, 2008

Provider Number:
LTC60989F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,080	\$	\$ 1,080
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,320		1,320
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		380		380
185	Nurse Consultant		8,664		8,664
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		663		663
205	Social Service Consultant				0
210	Other Consultant		1,060		1,060
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 13,167	\$ 0	\$ 13,167
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries	2	\$ 9,275	\$ (133)	\$ 9,142
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		19,573		19,573
230	Other Administrative and General		39,253		39,253
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,101	\$ (133)	\$ 67,968
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 301,397	\$ (551)	\$ 300,846
	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)		\$ 301,397	\$ (551)	\$ 300,846

