

**REPORT
ON THE
RATE SETTING AUDIT**

**AMIR HOUSE
REDDING, CALIFORNIA
PROVIDER NUMBER: LTC80384F / NPI 1225171283**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

**Audits Section—Sacramento
Financial Audits Branch
Audits and Investigations
California Department of Health Care Services**

**Acting Section Chief: Jeff Sandman
Audit Supervisor: Steven Gary
Auditor: David Pereira**



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



DAVID MAXWELL-JOLLY
 Director

ARNOLD SCHWARZENEGGER
 Governor

December 31, 2009

Dana Emerson
 Amir House
 2970 Innsbruck Drive, Suite C
 Redding, CA 96003

PROVIDER: AMIR HOUSE
 PROVIDER NUMBER: LTC80384F / NPI 1225171283
 FISCAL PERIOD ENDED DECEMBER 31, 2008

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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 and use of share of cost 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	\$	404,359	\$ 188.34
Net audit adjustment		(93,948)	(44.36)
Audited Cost/Cost Per Day	\$	<u>310,411</u>	\$ <u>143.98</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Costs

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status.

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:

John Melton, Chief
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814

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

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.

Dana Emerson
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If you have questions regarding this report, you may call the Audits Section—
Sacramento at (916) 650-6983.

Original Signed by

Jeff Sandman, Acting Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
Amir House

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80384F

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	2,147	2,156
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,147</u>	<u>2,156</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>404,359</u>	\$ <u>310,411</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>188.34</u>	\$ <u>143.98</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:
Amir House

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80384F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 0	\$	\$ 0
050	Leases and Rentals	1	36,084	(36,084)	0
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		3,321		3,321
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 39,405	\$ (36,084)	\$ 3,321
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 14,740	\$ (2,701)	\$ 12,039
085	Utilities		6,854		6,854
090	Client Transportation		20		20
095	Dietary	3	10,413	(65)	10,348
100	Personal Care and Laundry		212		212
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,239	\$ (2,766)	\$ 29,473
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 71,644	\$ (38,850)	\$ 32,794
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,569	\$	\$ 14,569
120	QMRP Fringe Benefits		476		476
125	Lead Salaries		22,893		22,893
130	Lead Fringe Benefits		1,460		1,460
135	Aides Salaries	4	124,375	(31,504)	92,871
140	Aides Fringe Benefits		21,448		21,448
145	Other Salaries		12,723		12,723
150	Other Fringe Benefits		513		513
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 198,457	\$ (31,504)	\$ 166,953

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
Amir House

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80384F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 704	\$	\$ 704
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		1,243		1,243
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant		1,710		1,710
190	Psychologist Consultant		214		214
195	Physician Consultant		0		0
200	Recreational Consultant		105		105
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 3,976	\$ 0	\$ 3,976
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		18,632		18,632
230	Other Administrative and General	5,6	111,650	(23,594)	88,056
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 130,282	\$ (23,594)	\$ 106,688
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 404,359	\$ (93,948)	\$ 310,411
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 404,359	\$ (93,948)	\$ 310,411

SUMMARY OF AUDITED LABOR REPORT

Provider:
Amir House

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80384F

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	\$ 476	\$ 14,569		\$ 0.00
2	Lead	1,460	22,893		0.00
3	Aides	21,448	92,871		0.00
4	Other	513	12,723		0.00
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 23,897	\$ 143,056	0	
	CONSULTANT STAFF				
6	Dietician	\$	\$		\$ 0.00
7	Speech Pathology				0.00
8	Physical Therapy				0.00
9	Occupational Therapy				0.00
10	Pharmacist				0.00
11	Nurse				0.00
12	Psychologist				0.00
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	\$ 0	0	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$	\$		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 23,897	\$ 143,056	0	

Provider Name		Fiscal Period		Provider Number		Adjustments		
AMIR HOUSE		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80384F		7		
Adj. No.	Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Line	Col.							
ADJUSTMENTS TO REPORTED COSTS								
1	4	50	4	2	50.00	\$36,084	(\$36,084)	\$0
Leases and Rentals To eliminate related party office lease expense due lack of documentation of the actual cost of ownership for the house. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 202.1, 202.2, 1000, 2300 and 2304								
2	4	80	4	2	80.00	\$14,740	(\$2,701)	\$12,039
Home Operations and Maintenance To eliminate maintenance and expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
3	4	95	4	2	95.00	\$10,413	(\$65)	\$10,348
Dietary To eliminate dietary expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
4	4.1	135	4	2	135.00	\$124,375	(\$31,504)	\$92,871
Aides Salaries To adjust the reported Aides Salaries expense to agree with the Mainstay invoice statements. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
5	4.1	230	4	2	230.00	\$111,650	(\$650)	
Other General and Administrative To eliminate Department of Health Care Service fine not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2122.1								
6							(22,944)	\$88,056
							<u>(\$23,594)</u>	

Provider Name		Fiscal Period		Provider Number		Adjustments		
AMIR HOUSE		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80384F		7		
Adj. No.	Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
7	2	3	N/A	1	1.00	2,147	9	2,156
<p style="text-align: center;">ADJUSTMENTS TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Client Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 / CMS Pub. 15-1 Sections 2205 and 2304</p>								