

**REPORT ON THE
RATE SETTING AUDIT**

**MOUNTAIN SHADOWS—ASH HOUSE
ESCONDIDO, CALIFORNIA
PROVIDER NUMBER: LTC60156H
NATIONAL PROVIDER IDENTIFIER: 1720103971**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

**Audits Section—San Diego
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Patricia M. Fox
Audit Supervisor: Woosung Lee
Auditor: Michelle L. Moreno**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 29, 2009

Wade Wilde
Executive Director
Mountain Shadows
135 Vallecitos De Oro, Suite D
San Marcos, CA 92069

MOUNTAIN SHADOWS—ASH HOUSE
PROVIDER NUMBER LTC60156H
NATIONAL PROVIDER IDENTIFIER (NPI) 1720103971
FISCAL PERIOD ENDED DECEMBER 31, 2008

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, 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	\$	354,047	\$ 161.89
Net Audit Adjustment		(248)	(0.12)
Audited Cost/Cost Per Day	\$	<u>353,799</u>	\$ <u>161.77</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Audited Allocation of 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 Hearings and Appeals
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—San Diego at (619) 688-3200.

Original Signed By

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

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

Provider:
MOUNTAIN SHADOWS—ASH HOUSE

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

Provider Number:
LTC60156H

Provider NPI:
1720103971

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 3)	2,187	1,966
2. Other Client Days (Adj 3)	0	221
3. Total Client Days	<u>2,187</u>	<u>2,187</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>354,047</u>	\$ <u>353,799</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>161.89</u>	\$ <u>161.77</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>N/A</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:
MOUNTAIN SHADOWS—ASH HOUSE

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

Provider Number:
LTC60156H

Provider NPI:
1720103971

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 2,355	\$	\$ 2,355
050	Leases and Rentals		0		0
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,355	\$ 0	\$ 2,355
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,253	\$	\$ 4,253
085	Utilities		4,520		4,520
090	Client Transportation		0		0
095	Dietary		18,889		18,889
100	Personal Care and Laundry		6,558		6,558
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 34,220	\$ 0	\$ 34,220
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 36,575	\$ 0	\$ 36,575
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 8,724	\$	\$ 8,724
120	QMRP Fringe Benefits		667		667
125	Lead Salaries		38,994		38,994
130	Lead Fringe Benefits		7,989		7,989
135	Aides Salaries		102,288		102,288
140	Aides Fringe Benefits		20,956		20,956
145	Other Salaries		16,947		16,947
150	Other Fringe Benefits		2,702		2,702
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 199,267	\$ 0	\$ 199,267

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS—ASH HOUSE

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

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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		1,440		1,440
170	Physical Therapy Consultant		1,575		1,575
175	Occupational Therapy Consultant		1,705		1,705
180	Pharmacist Consultant		114		114
185	Nurse Consultant		0		0
190	Psychologist Consultant		862		862
195	Physician Consultant		804		804
200	Recreational Consultant		621		621
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,201	\$ 0	\$ 8,201
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 5,816	\$	\$ 5,816
225	Administrative Fringe Benefits		445		445
226	Quality Assurance Fees	1	19,281	1,544	20,825
230	Other General and Administrative	2	84,463	(1,793)	82,670
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 110,005	\$ (249)	\$ 109,756
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 354,047	\$ (249)	\$ 353,799
	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)		\$ * 354,047	\$ (249)	\$ 353,799

*As Reported column does not foot due to provider's rounding.

Provider Name		Fiscal Period				Provider Number, NPI		Adjustments	
MOUNTAIN SHADOWS—ASH HOUSE		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008				LTC60156H, 1720103971		3	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch	Line				
1	4.1 of 6	226	4	2	226.00	\$19,281	\$1,544	\$20,825	
		Quality Assurance Fees To adjust the provider's reported Quality Assurance Fee to agree with the provider's records. H&S Code Sections 1324 and 1324.4 42 CFR 413.5, 413.20, 413.24, 413.50, and 413.53 CMS Pub. 15-1, Sections 2102, 2202.4, 2206, 2300, 2302.6, and 2304							
2	4.1 of 6	230	4	2	230.00	\$84,463	(\$1,793)	\$82,670	
		Other General and Administrative To adjust reported home office costs to agree with the Mountain Shadows Home Office Audit Report for fiscal period ended December 31, 2008. 42 CFR 413.17, 413.20, and 413.24 CMS Pub. 15-1, Sections 2150.2, 2300, and 2304							

Provider Name		Fiscal Period		Provider Number, NPI		Adjustments	
MOUNTAIN SHADOWS—ASH HOUSE		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60156H, 1720103971		3	
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Line	Col.	Sch			
	DHS 3076						
	Page or Exhibit						
3	2 of 6	3	1	1	2,187	(221)	1,966
	2 of 6	3	2	1	0	221	221
<p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>1.00 Medi-Cal Client Days</p> <p>2.00 Other Client Days</p> <p>To reconcile the provider's reported census days to the provider's census records.</p> <p>42 CFR 413.20, 413.24, and 413.50</p> <p>CMS Pub. 15-1, Sections 2205, 2300, and 2304</p>							