REPORT
ON THE
RATE SETTING AUDIT

MAYETTE HOUSE
SANTA ROSA, CALIFORNIA
PROVIDER NUMBER: LTC60319G AND
NPI NUMBER: 1902839962

FISCAL PERIOD ENDED
JULY 31, 2008

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

Section Chief: Louise Wong
Audit Supervisor: Jesse Duran
Auditor: Maria Bernardez

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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

January 25, 2010

Denise Keeley
President/CEO
DuMolin Service Corporation
1455 N. Dutton Avenue, Suite B
Santa Rosa, CA 95401

PROVIDER: MAYETTE HOUSE
PROVIDER NO. LTC60319G AND NPI NO. 1902839962
FISCAL PERIOD ENDED JULY 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 and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles. The results of our examination are as follows:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	436,578	$	246.65
Net Audit Adjustment		(5,116)		(2.89)
Audited Cost/Cost Per Day	$	431,462	$	243.76

This audit report includes the:

1. Audit Report Schedules 1 through 2

2. Audit Adjustments that include a summary of the total due the State in the amount of $1,561 which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement 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 95814-2825
(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
P.O. 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider: MAYETTE HOUSE

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

Provider Number: LTC60319G

Provider NPI: 1902839962

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,770	1,770
2. Other Client Days (Adj)		0
3. Total Client Days	1,770	1,770
4. Total Client Care Expenses (From Sch. 2)	$ 436,578	$ 431,462
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 246.65	$ 243.76
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Medi-Cal Overpayments (Adj 7)	$ 0	$ 1,561
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 1,561

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MAYETTE HOUSE

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

Provider Number:
LTC60319G

Provider NPI:
1902839962

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	2, 5	$ 4,924	$ 6,047	$ 10,971
050	Leases and Rentals	3	18,705	(18,705)	0
055	Real Property Taxes		3,213	0	3,213
060	Personal Property Taxes		0	0	0
065	Mortgage Interest	4	0	7,658	7,658
070	Property Insurance		6,459	0	6,459
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 33,301	$ (5,000)	$ 28,301
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	$ 12,268	$ (1,130)	$ 11,138
085	Utilities		11,607	0	11,607
090	Client Transportation		6,697	0	6,697
095	Dietary		15,201	0	15,201
100	Personal Care and Laundry		6,374	0	6,374
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 52,147	$ (1,130)	$ 51,017
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 85,448	$ (6,130)	$ 79,318
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 13,547	$ 0	$ 13,547
120	QMRP Fringe Benefits		7,536	0	7,536
125	Lead Salaries		48,374	0	48,374
130	Lead Fringe Benefits		12,368	0	12,368
135	Aides Salaries		139,255	0	139,255
140	Aides Fringe Benefits		30,881	0	30,881
145	Other Salaries		7,285	0	7,285
150	Other Fringe Benefits		1,469	0	1,469
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 260,715	$ 0	$ 260,715

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MAYETTE HOUSE

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

Provider Number:
LTC60319G

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 800	$ 0	$ 800
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		5,891	0	5,891
180	Pharmacist Consultant		132	0	132
185	Nurse Consultant		13,891	0	13,891
190	Psychologist Consultant		0	0	0
195	Physician Consultant		900	0	900
200	Recreational Consultant		2,016	0	2,016
205	Social Service Consultant		0	0	0
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 23,630	$ 0	$ 23,630
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$ 3,546	$ 0	$ 3,546
225	Administrative Fringe Benefits		0	0	0
226	Quality Assurance Fees		15,456	0	15,456
230	Other Administrative and General	6	47,783	1,014	48,797
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 66,785	$ 1,014	$ 67,799
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 436,578	$ (5,116)	$ 431,462
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
240	Non-Program Services		$ 0	$	$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		$ 436,578	$ (5,116)	$ 431,462

Provider Name	Fiscal Period	Provider Number	Adjustments
MAYETTE HOUSE	AUGUST 1, 2007 THROUGH JULY 31, 2008	LTC60319G	7

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENTS TO REPORTED COSTS			
1	4 of 6	080	4	2	80	Home Operations and Maintenance To disallow reported equipment expense that should be capitalized. CMS Pub. 15-1, Sections 100, 2300, and 2304 CCR, Title 22, Section 97019	$12,268	($1,130)	$11,138
2	4 of 6	045	4	2	45	Depreciation and Amortization To allow the depreciation expense for the equipment in conjunction with adjustment number 1. CMS Pub. 15-1, Sections 100, 104, and 2304	$4,924	$77	$5,001 *
3	4 of 6	050	4	2	50	Leases and Rentals To eliminate related party lease expense and allow the cost of ownership, done in conjunction with adjustment numbers 4 and 5. CMS Pub. 15-1, Sections 1000 and 1011.5	$18,705	($18,705)	$0
4	4 of 6	065	4	2	65	Mortgage Interest To include the mortgage interest in lieu of related party lease expense. CMS Pub. 15-1, Sections 202, 204, 1000, 2300, and 2304	$0	$7,658	$7,658
5	4 of 6	045	4	2	45	Depreciation and Amortization * To include the building depreciation in lieu of related party lease expense. CMS Pub. 15-1, Sections 100, 104, 1000, 1005, 1011.5, and 2304	$5,001	$5,970	$10,971
6	4.1 of 6	230	4	2	230	Other General and Administrative To adjust reported Other General and Administrative costs to agree with the DuMolin Service Corporation Home Office Audit for Fiscal Period Ended July 31, 2008. CMS Pub. 15-1, Sections 2150.2 and 2304	$47,783	$1,014	$48,797

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustments
MAYETTE HOUSE	AUGUST 1, 2007 THROUGH JULY 31, 2008	LTC60319G	7

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENT TO OTHER MATTERS			
7	Not Reported			1	1	Medi-Cal Overpayments To recover Medi-Cal overpayments due to incorrect billings. CMS Pub. 15-1, Sections 2304 and 2409 CCR, Title 22, Section 51458.1	$0	$1,561	$1,561