

**REPORT
ON THE
RATE SETTING AUDIT
UCP/SCF NEWPORT HOUSE
CHATSWORTH, CALIFORNIA
PROVIDER NUMBER: LTC80053F / NPI 1558513044
FISCAL PERIOD ENDED
JUNE 30, 2008**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Thomas Shimada
Auditor: Anita Keshishyan**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

May 4, 2009

James P. Hudson
Director of Finance
UCP/SCF of Los Angeles and Ventura Counties
6430 Independence Avenue
Woodland Hills, CA 91367

PROVIDER: UCP/SCF NEWPORT HOUSE
PROVIDER NO. LTC80053F / NPI 1558513044
FISCAL PERIOD ENDED JUNE 30, 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	\$	665,744	\$ 303.16
Net Audit Adjustment		<u>(209)</u>	<u>(.09)</u>
Audited Cost/Cost Per Day	\$	<u>665,535</u>	\$ <u>303.07</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
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.

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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
UCP/SCF NEWPORT HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC80053F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>665,744</u>	\$ <u>665,535</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>303.16</u>	\$ <u>303.07</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</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:
UCP/SCF NEWPORT HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC80053F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 15,862	\$ (89)	\$ 15,773
050	Leases and Rentals				0
055	Real Property Taxes		297		297
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		904		904
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 17,063	\$ (89)	\$ 16,974
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 7,353	\$ (99)	\$ 7,254
085	Utilities		9,534		9,534
090	Client Transportation		3,624		3,624
095	Dietary		20,359		20,359
100	Personal Care and Laundry	3	16,120	(21)	16,099
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 56,990	\$ (120)	\$ 56,870
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 74,053	\$ (209)	\$ 73,844
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,687	\$	\$ 10,687
120	QMRP Fringe Benefits		4,497		4,497
125	Lead Salaries		23,758		23,758
130	Lead Fringe Benefits		11,533		11,533
135	Aides Salaries		173,242		173,242
140	Aides Fringe Benefits		70,858		70,858
145	Other Salaries		22,704		22,704
150	Other Fringe Benefits		9,928		9,928
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 327,207	\$ 0	\$ 327,207

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
UCP/SCF NEWPORT HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC80053F

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		103		103
175	Occupational Therapy Consultant		2,796		2,796
180	Pharmacist Consultant		123		123
185	Nurse Consultant		136,825		136,825
190	Psychologist Consultant		1,419		1,419
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant		3,487		3,487
210	Other Consultant		245		245
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 146,078	\$ 0	\$ 146,078
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 20,735	\$	\$ 20,735
225	Administrative Fringe Benefits		8,747		8,747
226	Quality Assurance Fees		26,269		26,269
230	Other Administrative and General		62,655		62,655
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 118,406	\$ 0	\$ 118,406
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 665,744	\$ (209)	\$ 665,535
	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)		\$ 665,744	\$ (209)	\$ 665,535

SUMMARY OF AUDITED LABOR REPORT

Provider:
UCP/SCF NEWPORT HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC80053F

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	\$ 4,497	\$ 10,687	511	\$ 20.92
2	Lead	11,533	23,758	1,905	12.47
3	Aides	70,858	173,242	16,760	10.34
4	Other	9,928	22,704	1,515	14.99
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 96,816	\$ 230,391	20,692	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,080	18	\$ 60.00
7	Speech Pathology				0.00
8	Physical Therapy		103	2	44.98
9	Occupational Therapy	801	1,995	50	40.17
10	Pharmacist		123	As needed	0.00
11	Nurse	35,331	101,494	4,497	22.57
12	Psychologist		1,419	19	75.00
13	Physician				0.00
14	Recreational				0.00
15	Social Service	1,154	2,333	57	40.98
16	Other		245	7	35.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 37,286	\$ 108,792	4,650	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$ 8,747	\$ 20,735	707	\$ 29.32
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 142,849	\$ 359,918	26,049	

Provider Name		Fiscal Period		Provider Number		Adjustments			
UCP/SCF NEWPORT HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC80053F		3			
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
	Cost Report	Line	Col.	Sch				Line	
1	4 of 6	45	4	2	45.00	Depreciation and Amortization To adjust for a change in useful life to agree with the American Hospital Association Guidelines. 42 CFR 413.20, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17, 104.18, 122, 2300, and 2302.4	\$15,862	(\$89)	\$15,773
2	4 of 6	80	4	2	80.00	Home Operations and Maintenance To eliminate prior year purchased services expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1	\$7,353	(\$99)	\$7,254
3	4 of 6	100	4	2	100.00	Personal Care and Laundry To eliminate prescription drug cost as prescription drugs are separately billed/billable by the actual provider of service for Medi-Cal patients. 42 CFR 405.2470 / CMS Pub. 15-1, Sections 2300, 2302.7 and 2304 CCR, Title 22, Section 51501	\$16,120	(\$21)	\$16,099