

**REPORT
ON THE
RATE SETTING AUDIT**

**PARK HOUSE
FREMONT, CALIFORNIA
PROVIDER NUMBER: LTC60300F AND
NPI NUMBER: 1366584997**

**FISCAL PERIOD ENDED
MARCH 31, 2009**

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

**Section Chief: Louise Wong
Audit Supervisor: Marisa Ho
Auditor: Eileen Kuang**



DAVID MAXWELL-JOLLY
Director

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



EDMUND G. BROWN JR.
Governor

January 7, 2011

Daniel J. Fisher, President
C.C.I., Inc.
P.O. Box 112
Alamo, CA 94507

PROVIDER: PARK HOUSE
PROVIDER NO. LTC60300F
NPI NUMBER: 1366584997
FISCAL PERIOD ENDED MARCH 31, 2009

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:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	414,163	\$ 193.90
Net Audit Adjustment		<u>(42,623)</u>	<u>(19.96)</u>
Audited Cost/Cost Per Day	\$	<u>371,540</u>	\$ <u>173.94</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$1,656, 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
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(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

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
(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.

Daniel J. Fisher
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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:
PARK HOUSE

Fiscal Period:
APRIL 1, 2008 THROUGH MARCH 31, 2009

Provider Number:
LTC60300F

Provider NPI:
1366584997

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,136	2,136
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,136</u>	<u>2,136</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>414,163</u>	\$ <u>371,540</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>193.90</u>	\$ <u>173.94</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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OVERPAYMENTS

1. Medi-Cal Overpayments (Adj 5)	\$ <u>0</u>	\$ <u>1,656</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>1,656</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PARK HOUSE

Fiscal Period:
APRIL 1, 2008 THROUGH MARCH 31, 2009

Provider Number:
LTC60300F

NPI:
1366584997

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1, 3	\$ 2,804	\$ 6,782	\$ 9,586
050	Leases and Rentals	2	47,250	(47,250)	0
055	Real Property Taxes		3,517	0	3,517
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		5,684	0	5,684
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 59,255	\$ (40,468)	\$ 18,787
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 9,840	\$ 0	\$ 9,840
085	Utilities		5,747	0	5,747
090	Client Transportation		150	0	150
095	Dietary		12,588	0	12,588
100	Personal Care and Laundry		2,787	0	2,787
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 31,112	\$ 0	\$ 31,112
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 90,367	\$ (40,468)	\$ 49,899
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 44,000	\$ 0	\$ 44,000
120	QMRP Fringe Benefits		3,569	0	3,569
125	Lead Salaries		27,350	0	27,350
130	Lead Fringe Benefits		2,409	0	2,409
135	Aides Salaries		135,741	0	135,741
140	Aides Fringe Benefits		20,741	0	20,741
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) *		\$ 233,811	\$ 0	\$ 233,811

* As reported number includes \$1 rounding variance.

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PARK HOUSE

Fiscal Period:
APRIL 1, 2008 THROUGH MARCH 31, 2009

Provider Number:
LTC60300F

NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 164	\$ 0	\$ 164
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		235	0	235
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		540	0	540
185	Nurse Consultant		15,335	0	15,335
190	Psychologist Consultant		2,880	0	2,880
195	Physician Consultant				0
200	Recreational Consultant		1,475	0	1,475
205	Social Service Consultant				0
210	Other Consultant		208	0	208
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 20,837	\$ 0	\$ 20,837
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		11,884	0	11,884
230	Other Administrative and General	4	57,264	(2,154)	55,110
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 69,147	\$ (2,154)	\$ 66,993
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235) *		\$ 414,163	\$ (42,622)	\$ 371,540
			(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)		\$ 414,163	\$ (42,622)	\$ 371,540

* As reported number includes \$1 rounding variance.

Provider Name		Fiscal Period		Provider Number		Adjustments			
PARK HOUSE		APRIL 1, 2008 THROUGH MARCH 31, 2009		LTC60300F		5			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Col.	As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Audit Report						
ADJUSTMENTS TO REPORTED COSTS									
1	4 of 6	045	4	2	45	3	\$2,804	(\$702)	\$2,102 *
Depreciation and Amortization To adjust the reported depreciation and amortization expenses to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304									
2	4 of 6	050	4	2	50	3	\$47,250	(\$47,250)	\$0
Leases and Rentals To eliminate lease expenses applicable to a related party. CMS Pub. 15-1, Sections 1000, 1002, 1004, 1005 and 1011.5									
3	4 of 6	045	4	2	45	3	\$2,102	\$7,484	\$9,586
Depreciation and Amortization To include cost of ownership in lieu of related party lease expenses. CMS Pub. 15-1, Sections 1000, 1002, 1004, 1005 and 1011.5									
4	4.1 of 6	230	4	2	230	3	\$57,264	(\$2,154)	\$55,110
Other General and Administrative To adjust the reported licenses and fees to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304									

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments					
PARK HOUSE		APRIL 1, 2008 THROUGH MARCH 31, 2009		LTC60300F		5					
Adj. No.	Page or Exhibit	Report References		Line	Col.	Sch.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report								
5	N/A	N/A	N/A	1	2	1	1	2	\$0	\$1,656	\$1,656
<p>Medi-Cal Overpayments To recover Medi-Cal overpayments due to improper billings. Title 22, CCR, Section 51458.1</p> <p><u>ADJUSTMENT TO OTHER MATTERS</u></p>											