

**REPORT
ON THE
RATE SETTING AUDIT
TLC – DEVONSHIRE HOUSE
CHATSWORTH, CALIFORNIA
PROVIDER NUMBERS: LTC60673F / NPI 1609085430
FISCAL PERIOD ENDED
JUNE 30, 2009**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Allen Dervi
Auditor: Tatevik Parsamyan**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

October 29, 2010

Debbie Simmons
Accounting Manager
Therapeutic Living Centers for the Blind
7915 Lindley Avenue
Reseda, California 91335

PROVIDER: TLC – DEVONSHIRE HOUSE
PROVIDER NOS.: LTC60673F / NPI 1609085430
FISCAL PERIOD ENDED JUNE 30, 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, 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	\$	319,706	\$ 145.98
Net Audit Adjustment		<u>(320)</u>	<u>(0.14)</u>
Audited Cost/Cost Per Day	\$	<u>319,386</u>	\$ <u>145.84</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
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.

Debbie Simmons
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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:
TLC - Devonshire House

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60673F

Provider NPI:
1609085430

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>319,706</u>	\$ <u>319,386</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>145.98</u>	\$ <u>145.84</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</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:
TLC - Devonshire House

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60673F

NPI:
1609085430

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 5,441	\$	\$ 5,441
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)		\$ 5,441	\$ 0	\$ 5,441
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 7,908	\$ (6,395)	\$ 1,513
085	Utilities		0		0
090	Client Transportation	2	4,734	(446)	4,288
095	Dietary		20,109		20,109
100	Personal Care and Laundry	1	5,601	6,395	11,996
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 38,352	\$ (446)	\$ 37,906
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 43,793	\$ (446)	\$ 43,347
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 21,095	\$	\$ 21,095
120	QMRP Fringe Benefits	2	6,407	58	6,465
125	Lead Salaries		61,808		61,808
130	Lead Fringe Benefits	2	24,110	182	24,292
135	Aides Salaries		67,166		67,166
140	Aides Fringe Benefits	2	20,373	186	20,559
145	Other Salaries		6,471		6,471
150	Other Fringe Benefits	2	2,466	20	2,486
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 209,896	\$ 446	\$ 210,342

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TLC - Devonshire House

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	4	\$ 848	\$ (270)	\$ 578
165	Speech Pathology Consultant		1,240		1,240
170	Physical Therapy Consultant	5	72	(72)	0
175	Occupational Therapy Consultant	3	1,360	508	1,868
180	Pharmacist Consultant	6	340	108	448
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,587		2,587
195	Physician Consultant		1,325		1,325
200	Recreational Consultant		780		780
205	Social Service Consultant		0		0
210	Other Consultant	3, 7	2,169	(594)	1,575
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,721	\$ (320)	\$ 10,401
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 15,511	\$	\$ 15,511
225	Administrative Fringe Benefits		6,812		6,812
226	Quality Assurance Fees		15,759		15,759
230	Other Administrative and General		17,214		17,214
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 55,296	\$ 0	\$ 55,296
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 319,706	\$ (320)	\$ 319,386
	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)		\$ 319,706	\$ (320)	\$ 319,386

Provider Name		Fiscal Period		Provider Number		Adjustments			
TLC - DEVONSHIRE HOUSE		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60673F		7			
Adj. No.	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted		
	Cost Report	Audit Report							
DHS Page or Exhibit	Line	Col.							
RECLASSIFICATIONS OF REPORTED COSTS									
1	4	80	4	2	80.00	Home Operations and Maintenance	\$7,908	(\$6,395)	\$1,513
	4	100	4	2	100.00	Personal Care and Laundry	5,601	6,395	11,996
To reclassify the abatement of insurance refund against Home Operations and Maintenance. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328									
2	4	90	4	2	90.00	Client Transportation	\$4,734	(\$446)	\$4,288
	4.1	120	4	2	120.00	QMRP Fringe Benefits	6,407	58	6,465
	4.1	130	4	2	130.00	Lead Fringe Benefits	24,110	182	24,292
	4.1	140	4	2	140.00	Aides Fringe Benefits	20,373	186	20,559
	4.1	150	4	2	150.00	Other Fringe Benefits	2,466	20	2,486
To reclassify employee benefits expense to the appropriate cost centers. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8									
3	4.1	175	4	2	175.00	Occupational Therapy Consultant	\$1,360	\$508	\$1,868
	4.1	210	4	2	210.00	Other Consultant	2,169	(508)	1,661 *
To reclassify occupational therapy consultant expenses to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Section 2300, 2302.4 and 2302.8									

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments			
TLC - DEVONSHIRE HOUSE		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60673F		7			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch	Line				
ADJUSTMENTS TO REPORTED COSTS									
4	4.1	160	4	2	160.00	\$848	(\$270)	\$578	
		Dietitian Consultant To adjust dietician consultant dollars to agree with the provider's paid invoices. 42 CFR 413.20 / CMS Pub. 15-1, Section 2304							
5	4.1	170	4	2	170.00	\$72	(\$72)	\$0	
		Physical Therapy Consultant To eliminate physical therapy consultant expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304							
6	4.1	180	4	2	180.00	\$340	\$108	\$448	
		Pharmacist Consultant To adjust pharmacy consultant dollars to agree with the provider's paid invoices. 42 CFR 413.20 / CMS Pub. 15-1, Section 2304							
7	4.1	210	4	2	210.00	\$1,661	(\$86)	\$1,575	
		Other Consultant To adjust other consultant dollars to agree with the provider's paid invoices. 42 CFR 413.20 / CMS Pub. 15-1, Section 2304							

*Balance carried forward from prior/to subsequent adjustments