

**REPORT
ON THE
RATE SETTING AUDIT**

**EUCALYPTUS HOUSE
RIALTO, CALIFORNIA
PROVIDER NUMBER: LTC60355F
NPI: 1689799645**

**FISCAL PERIOD ENDED
JUNE 30, 2009**

**Audits Section—Rancho Cucamonga
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Julio M. Cueto
Audit Supervisor: Lucia Martinez
Auditor: Daniela Bitá Mocanu**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

October 19, 2010

Lorraine Stevens, Controller
Vista Pacifica Enterprises, Inc.
3674 Pacific Avenue
Riverside, CA 92509

PROVIDER: EUCALYPTUS HOUSE
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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	\$	341,608	\$ 204.19
Net Audit Adjustment		(690)	(0.41)
Audited Cost/Cost Per Day	\$	<u>340,918</u>	\$ <u>203.78</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.

Lorraine Stevens
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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—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

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

Provider:
EUCALYPTUS HOUSE

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 31, 2009

Provider Number:
LTC60355F

Provider NPI:
1689799645

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,673	1,673
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>1,673</u>	<u>1,673</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>341,608</u>	\$ <u>340,918</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>204.19</u>	\$ <u>203.78</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
EUCALYPTUS HOUSE

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 31, 2009

Provider Number:
LTC60355F

Provider NPI:
1689799645

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 1,682	\$	\$ 1,682
050	Leases and Rentals				0
055	Real Property Taxes		1,284		1,284
060	Personal Property Taxes				0
065	Mortgage Interest	1	2,935	(107)	2,828
070	Property Insurance		671		671
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 6,572	\$ (107)	\$ 6,465
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,306	\$	\$ 5,306
085	Utilities		7,098		7,098
090	Client Transportation				0
095	Dietary		11,319		11,319
100	Personal Care and Laundry		2,537		2,537
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 26,260	\$ 0	\$ 26,260
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 32,832	\$ (107)	\$ 32,725
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 25,351	\$	\$ 25,351
120	QMRP Fringe Benefits		8,069		8,069
125	Lead Salaries		24,935		24,935
130	Lead Fringe Benefits		7,740		7,740
135	Aides Salaries		114,989		114,989
140	Aides Fringe Benefits		33,822		33,822
145	Other Salaries		7,853		7,853
150	Other Fringe Benefits		2,332		2,332
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 225,091	\$ 0	\$ 225,091

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
EUCALYPTUS HOUSE

Fiscal Period:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,034	\$	\$ 1,034
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		688		688
175	Occupational Therapy Consultant		638		638
180	Pharmacist Consultant		1,370		1,370
185	Nurse Consultant		10,800		10,800
190	Psychologist Consultant		754		754
195	Physician Consultant		2,850		2,850
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,134	\$ 0	\$ 18,134
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		11,598		11,598
230	Other Administrative and General	2,3	53,953	(583)	53,370
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 65,551	\$ (583)	\$ 64,968
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 341,608	\$ (690)	\$ 340,918
	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)		\$ 341,608	\$ (690)	\$ 340,918

Provider Name		Fiscal Period		Provider Number		Adjustments		
EUCALYPTUS HOUSE		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60355F		3		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT					
Explanation of Audit Adjustments								
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4	65	4	2	65.00	\$2,935	(\$107)	\$2,828
Mortgage Interest To reflect the proper accrual of mortgage interest expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1								
2	4.1	230	4	2	230.00	\$53,953	(\$213)	
Other General and Administrative To eliminate bingo game expenses that are not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105.8								
3							(370) (\$583)	\$53,370
To eliminate prior year bank charge expenses. 42 CFR 413.5, 413.20, 413.24, and 460.204 CMS Pub. 15-1, Sections 2300, 2302.1, and 2304								