

**REPORT
ON THE
RATE SETTING AUDIT
RESEDA HORIZONS, INC.
RESEDA, CALIFORNIA
PROVIDER NUMBERS: LTC61056F / NPI1629296272
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: Henry Kwan
Auditor: Miriam Dau**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

October 14, 2010

Diane Thorsell
Chief Finance Officer
San Fernando Valley Association for the Retarded, Inc.
15725 Parthenia Street
North Hills, California 91343

PROVIDER: RESEDA HORIZONS, INC.
PROVIDER NOS.: LTC61056F / NPI1629296272
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 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	\$	322,793		\$ 149.10
Net Audit Adjustment		<u>(4,517)</u>		<u>(3.77)</u>
Audited Cost/Cost Per Day	\$	<u>318,276</u>		\$ <u>145.33</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.

Diane Thorsell
Page 2

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:
RESEDA HORIZONS, INC.

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

Provider Number:
LTC61056F

Provider NPI:
1629296272

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 3)	2,165	2,190
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,165</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>322,793</u>	\$ <u>318,276</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>149.10</u>	\$ <u>145.33</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:
RESEDA HORIZONS, INC.

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

Provider Number:
LTC61056F

Provider NPI:
1629296272

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 0	\$ 0	\$ 0
050	Leases and Rentals		0	0	0
055	Real Property Taxes		0	0	0
060	Personal Property Taxes		0	0	0
065	Mortgage Interest		0	0	0
070	Property Insurance		675	0	675
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 675	\$ 0	\$ 675
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,595	\$ 0	\$ 8,595
085	Utilities		5,448	0	5,448
090	Client Transportation		5,714	0	5,714
095	Dietary	1	17,592	(4,337)	13,255
100	Personal Care and Laundry	2	4,713	(180)	4,533
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,062	\$ (4,517)	\$ 37,545
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 42,737	\$ (4,517)	\$ 38,220
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 24,392	\$ 0	\$ 24,392
120	QMRP Fringe Benefits		6,313	0	6,313
125	Lead Salaries		27,747	0	27,747
130	Lead Fringe Benefits		7,182	0	7,182
135	Aides Salaries		62,898	0	62,898
140	Aides Fringe Benefits		16,280	0	16,280
145	Other Salaries		0	0	0
150	Other Fringe Benefits		0	0	0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 144,812	\$ 0	\$ 144,812

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RESEDA HORIZONS, INC.

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		\$ 1,557	\$ 0	\$ 1,557
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		33	0	33
175	Occupational Therapy Consultant		2,433	0	2,433
180	Pharmacist Consultant		83	0	83
185	Nurse Consultant		18,971	0	18,971
190	Psychologist Consultant		2,960	0	2,960
195	Physician Consultant		0	0	0
200	Recreational Consultant		0	0	0
205	Social Service Consultant		574	0	574
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 26,612	\$ 0	\$ 26,612
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 22,422	\$ 0	\$ 22,422
225	Administrative Fringe Benefits		5,804	0	5,804
226	Quality Assurance Fees		21,511	0	21,511
230	Other Administrative and General		58,896	0	58,896
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 108,633	\$ 0	\$ 108,633
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 322,793	\$ (4,517)	\$ 318,276
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$ 0	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 322,793	\$ (4,517)	\$ 318,276

Provider Name		Fiscal Period		Provider Number		Adjustments			
RESEDA HORIZONS, INC.		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC61056F		3			
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
	Cost Report	Line	Col.	Sch				Line	
1	4	95	4	2	95.00	Dietary	\$17,592	(\$4,337)	\$13,255
To abate food income against dietary cost center. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328									
2	4	100	4	2	100.00	Personal Care and Laundry	\$4,713	(\$180)	\$4,533
To eliminate employees' food and beverage expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3									

Provider Name		Fiscal Period		Provider Number		Adjustments	
RESEDA HORIZONS, INC.		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC61056F		3	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line
		Cost Report	Audit Report				
3	2	3	1	1	1	1.00	Medi-Cal Client Days
							To adjust total client days to agree with the provider's monthly census reports.
							42 CFR 413.20 and 413.50
							CMS Pub. 15-1, Sections 2205 and 2304
							ADJUSTMENT TO REPORTED PATIENT DAYS
							As Reported 2,165
							Increase (Decrease) 25
							As Adjusted 2,190