

**REPORT  
ON THE  
RATE SETTING AUDIT  
SFVAR – NEW HORIZONS C  
NORTH HILLS, CALIFORNIA  
PROVIDER NUMBERS: LTC60581F / NPI1689893893  
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: Matthew Li**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

September 21, 2010

Diane Thorsell  
Director of Finance  
San Fernando Valley Association for the Retarded, Inc.  
15725 Parthenia Street  
North Hills, CA 91343

PROVIDER: SFVAR – NEW HORIZONS C  
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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	\$	396,307		\$ 189.80
Net Audit Adjustment		(60)		(5.50)
Audited Cost/Cost Per Day	\$	<u>396,247</u>		\$ <u>184.30</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  
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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:**  
SFVAR - NEW HORIZONS C

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

**Provider Number:**  
LTC60581F

**Provider NPI:**  
1689893893

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj 2)	2,088	2,150
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>2,088</u>	<u>2,150</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>396,307</u>	\$ <u>396,247</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>189.80</u>	\$ <u>184.30</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>          </u>	\$ <u>0</u>
2. Credit Balances (Adj )	\$ <u>          </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
SFVAR - NEW HORIZONS C

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

Provider Number:  
LTC60581F

Provider NPI:  
1689893893

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$	\$	\$ 0
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		846		846
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 846	\$ 0	\$ 846
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 7,682	\$	\$ 7,682
085	Utilities	1	4,618	(60)	4,558
090	Client Transportation		7,172		7,172
095	Dietary		18,646		18,646
100	Personal Care and Laundry		3,561		3,561
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 41,679	\$ (60)	\$ 41,619
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 42,525	\$ (60)	\$ 42,465
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 19,004	\$	\$ 19,004
120	QMRP Fringe Benefits		4,779		4,779
125	Lead Salaries		35,734		35,734
130	Lead Fringe Benefits		8,985		8,985
135	Aides Salaries		110,578		110,578
140	Aides Fringe Benefits		27,805		27,805
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 206,885	\$ 0	\$ 206,885

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
SFVAR - NEW HORIZONS C

Fiscal Period:  
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,497	\$	\$ 1,497
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		217		217
175	Occupational Therapy Consultant		2,550		2,550
180	Pharmacist Consultant		83		83
185	Nurse Consultant		26,592		26,592
190	Psychologist Consultant		3,827		3,827
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant		564		564
210	Other Consultant		5,736		5,736
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 41,066	\$ 0	\$ 41,066
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 22,421	\$	\$ 22,421
225	Administrative Fringe Benefits		5,638		5,638
226	Quality Assurance Fees		20,389		20,389
230	Other Administrative and General		57,383		57,383
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 105,831	\$ 0	\$ 105,831
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 396,307	\$ (60)	\$ 396,247
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 396,307	\$ (60)	\$ 396,247

Provider Name		Fiscal Period		Provider Number		Adjustments				
SFVAR - NEW HORIZONS C		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60581F		2				
Adj. No.	DHCS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted		
		Cost Report	Audit Report							
1	4	85	4	2	85.00	Utilities	\$4,618	(\$60)	\$4,558	
<p><b>ADJUSTMENT TO REPORTED COSTS</b></p> <p>To eliminate telephone line expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304</p>										

Provider Name		Fiscal Period		Provider Number		Adjustments	
SFVAR - NEW HORIZONS C		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60581F		2	
Adj. No.	DHCS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line
		Cost Report	Audit Report				
2	2	3	4	1	1.00	Client Days	2,150
						To adjust total patients days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	2,088
						<b>ADJUSTMENT TO REPORTED PATIENT DAYS</b>	62
							As Reported
							Increase (Decrease)
							As Adjusted