

**REPORT
ON THE
RATE SETTING AUDIT
TLC - ELKWOOD HOUSE
RESEDA, CALIFORNIA
PROVIDER NUMBERS: LTC60677F / NPI 1659581148
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: Gertrude Lake
Auditor: Florisabel Montoya**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

October 7, 2010

Ford Neale
Executive Director
Therapeutic Living Centers for the Blind
7915 Lindley Avenue
Reseda, CA 91335

PROVIDER: TLC - ELKWOOD HOUSE
PROVIDER NOS. LTC60677F / NPI 1659581148
FISCAL PERIOD ENDED JUNE 30, 2009

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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	\$	266,847	\$ 135.25
Net Audit Adjustment		<u>(1,590)</u>	<u>(0.81)</u>
Audited Cost/Cost Per Day	\$	<u>265,257</u>	\$ <u>134.44</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.

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 - ELKWOOD HOUSE

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

Provider Number:
LTC60677F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,820	1,820
2. Other Client Days (Adj)	153	153
3. Total Client Days	<u>1,973</u>	<u>1,973</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>266,847</u>	\$ <u>265,257</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>135.25</u>	\$ <u>134.44</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:
TLC - ELKWOOD HOUSE

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

Provider Number:
LTC60677F

NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 1,395	\$ 0	\$ 1,395
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		0	0	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 1,395	\$ 0	\$ 1,395
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 23	\$ 0	\$ 23
085	Utilities		0	0	0
090	Client Transportation	2	9,841	(1,317)	8,524
095	Dietary		18,140	0	18,140
100	Personal Care and Laundry	3	8,851	(273)	8,578
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 36,855	\$ (1,590)	\$ 35,265
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 38,250	\$ (1,590)	\$ 36,660
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,730	\$ 0	\$ 10,730
120	QMRP Fringe Benefits		2,690	0	2,690
125	Lead Salaries		47,809	0	47,809
130	Lead Fringe Benefits		15,907	0	15,907
135	Aides Salaries		64,859	0	64,859
140	Aides Fringe Benefits		17,874	0	17,874
145	Other Salaries		6,278	0	6,278
150	Other Fringe Benefits		2,083	0	2,083
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 168,230	\$ 0	\$ 168,230

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TLC - ELKWOOD HOUSE

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 818	\$ 0	\$ 818
165	Speech Pathology Consultant		1,123	0	1,123
170	Physical Therapy Consultant		252	0	252
175	Occupational Therapy Consultant		1,178	0	1,178
180	Pharmacist Consultant		93	0	93
185	Nurse Consultant		0	0	0
190	Psychologist Consultant		2,555	0	2,555
195	Physician Consultant		1,325	0	1,325
200	Recreational Consultant		880	0	880
205	Social Service Consultant		0	0	0
210	Other Consultant		1,957	0	1,957
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,181	\$ 0	\$ 10,181
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries	1	\$ 15,511	\$ 2,529	\$ 18,040
225	Administrative Fringe Benefits	1	6,402	(2,529)	3,873
226	Quality Assurance Fees		12,571	0	12,571
230	Other Administrative and General		15,702	0	15,702
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 50,186	\$ 0	\$ 50,186
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 266,847	\$ (1,590)	\$ 265,257
	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)		\$ 266,847	\$ (1,590)	\$ 265,257

Provider Name		Fiscal Period		Provider Number		Adjustme				
TLC - ELKWOOD HOUSE		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60677F		3				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
		Cost Report	Audit Report	Line	Col.				Line	Col.
1	4.1	225	4	2	225.00	4	Administrative Fringe Benefits	\$6,402	(\$2,529)	\$3,873
	4.1	220	4	2	220.00	4	Administrative Salaries	15,511	2,529	18,040
<p style="text-align: center;">RECLASSIFICATION OF REPORTED COSTS</p> <p>To reclassify home office costs to agree with the filed Home Office Cost Report of Therapeutic Living Centers for the Blind, FYE June 30, 2009. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304</p>										

Provider Name		Fiscal Period		Provider Number		Adjustment				
TLC - ELKWOOD HOUSE		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60677F		3				
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted			
	DHS 3076 Page or Exhibit	Line	Col.	Line				Col.		
2	4	90	4	2	90.00	4	Client Transportation To eliminate reported vehicle expense applicable to a related facility. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$9,841	(\$1,317)	\$8,524
3	4	100	4	2	100.00	4	Personal Care and Laundry To eliminate physician services costs as these are separately billed/ billable by the actual provider of service. 42 CFR 405.2470 CMS Pub. 15-1, Sections 2300, 2302.7 and 2304 CCR, Title 22, Section 51510(c)	\$8,851	(\$273)	\$8,578

ADJUSTMENTS TO REPORTED COSTS