

**REPORT
ON THE
RATE SETTING AUDIT**

**DEERFIELD HOUSE
REDDING, CALIFORNIA
PROVIDER NUMBER: LTC60168H / NPI 1427210913**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section—Sacramento
Financial Audits Branch
Audits and Investigations
California Department of Health Care Services**

**Section Chief: Steven Gary
Audit Supervisor: Delia Valencia
Auditor: David Pereira**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 29, 2010

Dana Emerson, Owner
Mission Provider Services, Inc.
2970 Innsbruck Dr. Suite C
Redding, CA 96003

PROVIDER: DEERFILED HOUSE
PROVIDER NUMBER: LTC60168H
NATIONAL PROVIDER IDENTIFIER (NPI) 1427210913
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	312,188	\$ 142.55
Net Audit Adjustment		(44,562)	(20.12)
Audited Cost/Cost Per Day	\$	<u>267,626</u>	\$ <u>122.43</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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:

John Melton, Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(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

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
(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.

Dana Emerson
Page 3

If you have questions regarding this report, you may call the Audits Section—
Sacramento at (916) 650-6994.

Original Signed By

Steven Gary, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
Deerfield House

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60168H

Provider NPI:
1427210913

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,825	1,825
2. Other Client Days (Adj 7)	365	361
3. Total Client Days	<u>2,190</u>	<u>2,186</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>312,188</u>	\$ <u>267,626</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>142.55</u>	\$ <u>122.43</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:
Deerfield House

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60168H

Provider NPI:
1427210913

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
050	Leases and Rentals	1	23,400	(1,800)	21,600
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance	2	1,591	(331)	1,260
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,991	\$ (2,131)	\$ 22,860
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3,4	\$ 8,155	\$ (842)	\$ 7,313
085	Utilities		5,431		5,431
090	Client Transportation		0		0
095	Dietary		9,727		9,727
100	Personal Care and Laundry		135		135
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 23,448	\$ (842)	\$ 22,606
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 48,439	\$ (2,973)	\$ 45,466
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 7,207	\$	\$ 7,207
120	QMRP Fringe Benefits		374		374
125	Lead Salaries		24,747		24,747
130	Lead Fringe Benefits		3,404		3,404
135	Aides Salaries	5	86,258	(395)	85,863
140	Aides Fringe Benefits		17,844		17,844
145	Other Salaries		11,829		11,829
150	Other Fringe Benefits		395		395
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 152,058	\$ (395)	\$ 151,663

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
Deerfield House

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60168H

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 707	\$	\$ 707
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		473		473
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		57		57
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		543		543
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 1,780	\$ 0	\$ 1,780
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		9,120		9,120
230	Other Administrative and General	6	100,791	(41,194)	59,597
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 109,911	\$ (41,194)	\$ 68,717
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 312,188	\$ (44,562)	\$ 267,626
	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)		\$ 312,188	\$ (44,562)	\$ 267,626

Provider Name		Fiscal Period				Provider Number		Adjustments	
DEERFIELD HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC60168H / NPI 1427210913		7	
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted	
		COST REPORT	AUDIT REPORT	Line	Sch				
<u>ADJUSTMENTS TO REPORTED COSTS</u>									
1	4	50	4	2	50.00	Leases and Rentals To reflect the proper accrual building expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1	\$23,400	(\$1,800)	\$21,600
2	4	70	4	2	70.00	Property Insurance To adjust insurance expense to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$1,591	(\$331)	\$1,260
3	4	80	4	2	80.00	Home Operations and Maintenance To eliminate patient television costs. 42 CFR 413.5 and 413.9(c)(3) / CMS Pub. 15-1, Section 2106.1	\$8,155	(\$50)	
4						To eliminate home operations and maintenance expenses due to lack of documentation. 42 CFR 413.(c) (3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300 and 2304		(792) (\$842)	\$7,313
5	4.1	135	4	2	135.00	Aides Salaries To adjust salaries to agree with the payroll register. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Section 2304	\$86,258	(\$395)	\$85,863
6	4.1	230	4	2	230.00	Other General and Administrative To adjust reported home office costs to agree with the Mission Provider Services, Inc. Home Office Audit Report for the fiscal period ended December 31, 2009. 42 CFR 413.17 / CMS Pub 15-1, Sections 2150.2 and 2304	\$100,791	(\$41,194)	\$59,597

Provider Name		Fiscal Period		Provider Number		Adjustments			
DEERFIELD HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60168H / NPI 1427210913		7			
Adj. No.	DHS 3076 Page or Exhibit	Report References		As Reported	Increase (Decrease)	As Adjusted			
		COST REPORT	AUDIT REPORT						
	Line	Col.	Sch	Line					
7	2	3	3	1	2.00	Other Client Days	2,190	(4)	2,186
						To adjust other client 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			
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>									