

**REPORT
ON THE
RATE SETTING AUDIT**

**FOXDALE HOUSE
MORENO VALLEY, CALIFORNIA
PROVIDER NUMBER: LTC60343G
NATIONAL PROVIDER IDENTIFIER: 1467501304**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Andre Shammass**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

Date: December 27, 2010

Carl E. Rowe, President
Developmental Client Care Industries, Inc.
11751 Davis Street
Moreno Valley, CA 92557

PROVIDER: FOXDALE HOUSE
PROVIDER NO. LTC60343G
FISCAL PERIOD ENDED DECEMBER 31, 2009

We have examined the facility's Financial Records and 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	\$	364,061	\$ 168.00
Net Audit Adjustment		<u>(10,091)</u>	<u>(4.65)</u>
Audited Cost/Cost Per Day	\$	<u>353,970</u>	\$ <u>163.35</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.

Carl E. Rowe
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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—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
FOXDALE HOUSE

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

Provider Number:
LTC60343G

Provider NPI:
1467501304

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,167	2,167
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,167</u>	<u>2,167</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>364,061</u>	\$ <u>353,970</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>168.00</u>	\$ <u>163.35</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>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:
FOXDALE HOUSE

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

Provider Number:
LTC60343G

NPI:
1467501304

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
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		402		402
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 402	\$ 0	\$ 402
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 11,078	\$	\$ 11,078
085	Utilities		6,399		6,399
090	Client Transportation		5,117		5,117
095	Dietary		13,475		13,475
100	Personal Care and Laundry		3,768		3,768
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 39,837	\$ 0	\$ 39,837
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 40,239	\$ 0	\$ 40,239
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,059	\$	\$ 14,059
120	QMRP Fringe Benefits		2,601		2,601
125	Lead Salaries		58,297		58,297
130	Lead Fringe Benefits		20,045		20,045
135	Aides Salaries		80,656		80,656
140	Aides Fringe Benefits		19,562		19,562
145	Other Salaries		17,783		17,783
150	Other Fringe Benefits		4,086		4,086
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 217,089	\$ 0	\$ 217,089

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
FOXDALE HOUSE

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

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,242	\$	\$ 1,242
165	Speech Pathology Consultant		465		465
170	Physical Therapy Consultant		1,320	(110)	1,210
175	Occupational Therapy Consultant		1,128		1,128
180	Pharmacist Consultant		400		400
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,498	(400)	2,098
195	Physician Consultant		305		305
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,358	\$ (510)	\$ 6,848
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 21,595	\$	\$ 21,595
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		22,749		22,749
230	Other Administrative and General		55,032	(9,581)	45,451
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 99,375	\$ (9,581)	\$ 89,794
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 364,061	\$ (10,091)	\$ 353,970
	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)		\$ 364,061	\$ (10,091)	\$ 353,970

Provider Name		Fiscal Period				Provider Number		Adjustments		
FOXDALE HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC60343G		3		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		Line	Sch.	Col.	Col.	
		Line	Col.	Line	Col.					
Explanation of Audit Adjustments										
ADJUSTMENTS TO REPORTED COSTS										
1	4.1	230	4	2	230.00	3		\$55,032	(\$9,581)	\$45,451
Other General and Administrative To adjust reported home office costs to agree with the Development Client Care Industries Home Office Audit Report for fiscal period ended December 31, 2009. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304										
2	4.1	170	4	2	170.00	3		\$1,320	(\$110)	\$1,210
Physical Therapy Consultant To eliminate physical therapy cost to agree with the provider's invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										
3	4.1	190	4	2	190.00	3		\$2,498	(\$400)	\$2,098
Psychologist Consultant To eliminate psychologist consultant cost to exclude expenses not related to the fiscal year. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										