

**REPORT
ON THE
AMENDED RATE SETTING AUDIT**

**HAPPY VALLEY ICF/DD-H #6
WALNUT CREEK, CALIFORNIA
PROVIDER NUMBER: LTC61021F AND
NPI NUMBER: 1225173958**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section - Richmond
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Louise Wong
Audit Supervisor: Sandra Garcia
Auditor: Jocelyn Bautista-Slan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 3, 2011

Costin Niculescu, Director
Happy Valley ICF/DD-H #6
2478 Warren Lane
Walnut Creek, CA 94597

AMENDED

PROVIDER: HAPPY VALLEY ICF/DD-H #6
PROVIDER NUMBER: LTC61021F
NPI NUMBER: 1225173958
FISCAL PERIOD ENDED DECEMBER 31, 2009

We have amended the provider's Medi-Cal Cost Report, dated January 28, 2011, for the above-referenced fiscal period. The amendment was necessary to correct a clerical error on Schedule 1, Line 1, Medi-Cal Overpayments from \$11,376 to \$8,710 and to correct a formula error on the audit adjustment schedule.

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	\$	397,992	\$ 181.73
Net Audit Adjustment		<u>(11,627)</u>	<u>(.25)</u>
Amended Cost/Cost Per Day	\$	<u>386,365</u>	\$ <u>181.48</u>

This amended audit report includes the:

1. Amended Audit Report Schedules 1 through 2
2. Amended Audit Adjustments that includes a summary of the total due the State in the amount of \$8,710 which resulted from Medi-Cal overpayments.

The amended settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

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
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
P.O. 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) 440-7745

Costin Niculescu
Page 3

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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

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

Provider:
HAPPY VALLEY ICF/DDH # 6

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

Provider Number:
LTC61021F

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

	AS REPORTED	AS AMENDED
1. Medi-Cal Client Days (Adj 11)	2,190	2,129
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,190</u>	<u>2,129</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>397,992</u>	\$ <u>386,365</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>181.73</u>	\$ <u>181.48</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>N/A</u>	\$ <u>0</u>
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OVERPAYMENTS

1. Medi-Cal Overpayments (Adj 12)	\$ <u>0</u>	\$ <u>(8,710)</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>(8,710)</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HAPPY VALLEY ICF/DDH # 6

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

Provider Number:
LTC61021F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AMENDED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 10,911	\$ 0	\$ 10,911
050	Leases and Rentals				0
055	Real Property Taxes	1	4,916	(64)	4,852
060	Personal Property Taxes				0
065	Mortgage Interest	2	12,113	(471)	11,642
070	Property Insurance		596	0	596
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,536	\$ (535)	\$ 28,001
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3	\$ 9,321	\$ (4,281)	\$ 5,040
085	Utilities	4	9,433	(489)	8,944
090	Client Transportation		6,317	0	6,317
095	Dietary	5	20,133	(5,647)	14,486
100	Personal Care and Laundry		5,138	0	5,138
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 50,342	\$ (10,417)	\$ 39,925
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 78,878	\$ (10,952)	\$ 67,926
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 13,600	\$ 0	\$ 13,600
120	QMRP Fringe Benefits		1,800	0	1,800
125	Lead Salaries		44,713	0	44,713
130	Lead Fringe Benefits		5,911	0	5,911
135	Aides Salaries		161,128	0	161,128
140	Aides Fringe Benefits		22,399	0	22,399
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 249,551	\$ 0	\$ 249,551

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HAPPY VALLEY ICF/DDH # 6

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

Provider Number:
LTC61021F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT AMENDMENT	AS AMENDED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	6	\$ 900	\$ (240)	\$ 660
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		200	0	200
185	Nurse Consultant	7	10,000	(271)	9,729
190	Psychologist Consultant				0
195	Physician Consultant		800	0	800
200	Recreational Consultant	8	0	1,256	1,256
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,900	\$ 745	\$ 12,645
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 30,000	\$ 0	\$ 30,000
225	Administrative Fringe Benefits		4,200	0	4,200
226	Quality Assurance Fees	9	16,246	(1,230)	15,016
230	Other Administrative and General	10	7,217	(190)	7,027
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 57,663	\$ (1,420)	\$ 56,243
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 397,992	\$ (11,627)	\$ 386,365
	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)		\$ 397,992	\$ (11,627)	\$ 386,365

Provider Name		Fiscal Period		Provider Number		Adjustments				
HAPPY VALLEY ICF/DD-H #6		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC61021F		12				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Amended		
		Line	Col.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS										
1	4 of 6	055	4	2	55	3	\$4,916	(\$64)	\$4,852	
		Real Property Taxes To adjust reported real property taxes to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
2	4 of 6	065	4	2	65	3	\$12,113	(\$471)	\$11,642	
		Mortgage Interest To adjust reported mortgage interest to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
3	4 of 6	080	4	2	80	3	\$9,321	(\$4,281)	\$5,040	
		Home Operations and Maintenance To adjust reported home operations and maintenance expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
4	4 of 6	085	4	2	85	3	\$9,433	(\$489)	\$8,944	
		Utilities To adjust reported utilities expenses to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
5	4 of 6	095	4	2	95	3	\$20,133	(\$5,647)	\$14,486	
		Dietary To adjust reported dietary expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
6	4.1 of 6	160	4	2	160	3	\$900	(\$240)	\$660	
		Dietician Consultant To adjust reported dietician consultant expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
7	4.1 of 6	185	4	2	185	3	\$10,000	(\$271)	\$9,729	
		Nurse Consultant To adjust reported nurse consultant expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								

Provider Name		Fiscal Period				Provider Number		Adjustments	
HAPPY VALLEY ICF/DD-H #6		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC61021F		12	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Amended	
		Line	Col.	Line	Col.				
8	4.1 of 6	200	4	2	200	3	\$0	\$1,256	\$1,256
Recreational Consultant To adjust the reported recreational consultant expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304									
9	4.1 of 6	226	4	2	226	3	\$16,246	(\$1,230)	\$15,016
Quality Assurance Fees To adjust the reported quality assurance fees to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304									
10	4.1 of 6	230	4	2	230	3	\$7,217	(\$190)	\$7,027
Other General and Administrative To adjust the reported other administrative and general expenses to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304									

Provider Name		Fiscal Period		Provider Number		Adjustments	
HAPPY VALLEY ICF/DD-H #6		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC61021F		12	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Col.
		Cost Report	Audit Report				
11	2 of 6	3	1	1	1	2	2,190 (61) 2,129
<p style="text-align: center;">ADJUSTMENT TO REPORTED CLIENT DAYS</p> <p>Medi-Cal Client Days To adjust Medi-Cal Client Days to agree with the following EDS Paid Claims Summary: Report Date: January 3, 2011 Payment Period: January 1, 2009 through December 29, 2010 Service Period: January 1, 2009 through December 31, 2009 CMS Pub. 15-1, Sections 2304 and 2408</p>							

