

**REPORT ON THE
RATE SETTING AUDIT**

**MOUNTAIN SHADOWS COMMUNITY
HOMES—CEDAR
ESCONDIDO, CALIFORNIA
PROVIDER NUMBER: LTC60157I
NATIONAL PROVIDER IDENTIFIER: 1912022161**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section—San Diego
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Patricia M. Fox
Audit Supervisor: Sergio Gonzalez
Auditor: Angelica R. Aguilar**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 17, 2010

Wade Wilde
Executive Director
Mountain Shadows Support Group
135 Vallecitos De Oro, Suite D
San Marcos, CA 92069

MOUNTAIN SHADOWS COMMUNITY HOMES—CEDAR
PROVIDER NUMBER LTC601571
NATIONAL PROVIDER IDENTIFIER (NPI) 1912022161
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	\$	348,719	\$	187.08
Net Audit Adjustment		<u>0</u>		<u>(17.30)</u>
Audited Cost/Cost Per Day	\$	<u>348,719</u>	\$	<u>169.78</u>

This audit report includes the:

1. Audit Report Schedules 1 and 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
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.

Wade Wilde
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If you have questions regarding this report, you may call the Audits Section—San Diego at (619) 688-3200.

Originally Signed by:

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

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

Provider:
MOUNTAIN SHADOWS COMMUNITY HOMES—CEDAR

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

Provider Number:
LTC60157I

Provider NPI:
1912022161

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 1)	1,854	2,054
2. Other Client Days (Adj 1)	10	0
3. Total Client Days (Adj 1)	<u>1,864</u>	<u>2,054</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>348,719</u>	\$ <u>348,719</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>187.08</u>	\$ <u>169.78</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>N/A</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:
MOUNTAIN SHADOWS COMMUNITY HOMES—CEDAR

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

Provider Number:
LTC601571

NPI:
1912022161

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		\$ 2,213	\$	\$ 2,213
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,213	\$ 0	\$ 2,213
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,607	\$	\$ 3,607
085	Utilities		4,201		4,201
090	Client Transportation				0
095	Dietary		15,259		15,259
100	Personal Care and Laundry		6,598		6,598
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 29,665	\$ 0	\$ 29,665
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 31,878	\$ 0	\$ 31,878
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,116	\$	\$ 10,116
120	QMRP Fringe Benefits		743		743
125	Lead Salaries		37,857		37,857
130	Lead Fringe Benefits		9,293		9,293
135	Aides Salaries		103,526		103,526
140	Aides Fringe Benefits		25,414		25,414
145	Other Salaries		15,904		15,904
150	Other Fringe Benefits		3,524		3,524
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 206,377	\$ 0	\$ 206,377

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS COMMUNITY HOMES—CEDAR

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

Provider Number:
LTC601571

NPI:
1912022161

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,080	\$	\$ 1,080
165	Speech Pathology Consultant		880		880
170	Physical Therapy Consultant		1,555		1,555
175	Occupational Therapy Consultant		1,293		1,293
180	Pharmacist Consultant		123		123
185	Nurse Consultant				0
190	Psychologist Consultant		312		312
195	Physician Consultant		804		804
200	Recreational Consultant		621		621
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,668	\$ 0	\$ 6,668
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 6,744	\$	\$ 6,744
225	Administrative Fringe Benefits		495		495
226	Quality Assurance Fees		10,484		10,484
230	Other General and Administrative		86,072		86,072
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 103,795	\$ 0	\$ 103,795
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ * 348,719	\$ 0	\$ * 348,719
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ * 348,719	\$ 0	\$ * 348,719

* Total Facility Expenses do not foot by one dollar due to the provider including cents.

Provider Name		Fiscal Period		Provider Number, NPI		Adjustments	
MOUNTAIN SHADOWS COMMUNITY HOMES—CEDAR		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC601571, 1912022161		1	
Adj. No.	DHS 3076 Page or Exhibit	Report References			As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.			
		Line	Col.	Sch.	Line	Col.	
ADJUSTMENT TO REPORTED PATIENT DAYS							
1	2	3	1	1	1	1	Medi-Cal Client Days
	2	3	2	1	2	2	Other Client Days
	2	3	3	1	3	3	Total Client Days
To adjust total client days to agree with the provider's client census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304							
					1,854	200	2,054
					10	(10)	0
					1,864	190	2,054