

**REPORT ON THE
RATE SETTING AUDIT**

**MOUNTAIN SHADOWS COMMUNITY
HOMES—ORANGE
ESCONDIDO, CALIFORNIA
PROVIDER NUMBER: LTC60207H
NATIONAL PROVIDER IDENTIFIER: 1982729133**

**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—ORANGE
PROVIDER NUMBER LTC60207H
NATIONAL PROVIDER IDENTIFIER (NPI) 1982729133
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	\$	384,745	\$	195.30
Net Audit Adjustment		<u>0</u>		<u>(13.82)</u>
Audited Cost/Cost Per Day	\$	<u>384,745</u>	\$	<u>181.48</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—ORANGE

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

Provider Number:
LTC60207H

Provider NPI:
1982729133

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 1)	1,970	2,120
2. Other Client Days (Adj)	0	0
3. Total Client Days (Adj 1)	<u>1,970</u>	<u>2,120</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>384,745</u>	\$ <u>384,745</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>195.30</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. 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—ORANGE

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

Provider Number:
LTC60207H

NPI:
1982729133

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		\$ 3,144	\$	\$ 3,144
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)		\$ 3,144	\$ 0	\$ 3,144
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,352	\$	\$ 6,352
085	Utilities		4,201		4,201
090	Client Transportation				0
095	Dietary		14,572		14,572
100	Personal Care and Laundry		5,476		5,476
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 30,601	\$ 0	\$ 30,601
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 33,745	\$ 0	\$ 33,745
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 23,189	\$	\$ 23,189
120	QMRP Fringe Benefits		2,933		2,933
125	Lead Salaries		17,004		17,004
130	Lead Fringe Benefits		4,559		4,559
135	Aides Salaries		116,474		116,474
140	Aides Fringe Benefits		31,227		31,227
145	Other Salaries		25,463		25,463
150	Other Fringe Benefits		5,737		5,737
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 226,586	\$ 0	\$ 226,586

SUMMARY OF AUDITED FACILITY EXPENSES

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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		\$ 1,080	\$	\$ 1,080
165	Speech Pathology Consultant		780		780
170	Physical Therapy Consultant		1,765		1,765
175	Occupational Therapy Consultant		1,348		1,348
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		258		258
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)		\$ 6,656	\$ 0	\$ 6,656
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$ 15,459	\$	\$ 15,459
225	Administrative Fringe Benefits		1,955		1,955
226	Quality Assurance Fees		11,148		11,148
230	Other General and Administrative		89,196		89,196
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 117,758	\$ 0	\$ 117,758
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 384,745	\$ 0	\$ 384,745
			(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)		\$ 384,745	\$ 0	\$ 384,745

Provider Name		Fiscal Period				Provider Number, NPI		Adjustments	
MOUNTAIN SHADOWS COMMUNITY HOMES—ORANGE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC60207H, 1982729133		1	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch.	Line				Col.
1	2 of 6	3	1	1	1	1,970	150	2,120	
	2 of 6	3	3	1	3	1,970	150	2,120	
<p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Client Days Total Client Days</p> <p>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</p>									