

**REPORT
ON THE
RATE SETTING AUDIT**

**SAFE HARBOR RESIDENTIAL SERVICES - DOUTY
HANFORD, CALIFORNIA
PROVIDER NUMBER: LTC60622G
NPI NUMBER: 1336361435**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Michael Harrold
Auditor: Paul Vandrick**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 17, 2010

Gwendolyn Smith
Corporate Officer
Safe Harbor Residential Services
P.O. Box 163
Hanford, CA 93230

SAFE HARBOR RESIDENTIAL SERVICES - DOUTY
PROVIDER NUMBER LTC60622G
NATIONAL PROVIDER IDENTIFIER (NPI) 1336361435
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 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	\$	377,062	\$ 172.17
Net Audit Adjustment		(12,184)	(5.56)
Audited Cost/Cost Per Day	\$	<u>364,878</u>	\$ <u>166.61</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.

Gwendolyn Smith
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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
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.

If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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

Provider:
SAFE HARBOR RESIDENTIAL SERVICES - DOUTY

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

Provider Number:
LTC60622G

Provider NPI:
1336361435

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>377,062</u>	\$ <u>364,878</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>172.17</u>	\$ <u>166.61</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:
SAFE HARBOR RESIDENTIAL SERVICES - DOUTY

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

Provider Number:
LTC60622G

Provider NPI:
1336361435

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		0		0
055	Real Property Taxes		1,192		1,192
060	Personal Property Taxes		0		0
065	Mortgage Interest		5,956		5,956
070	Property Insurance		3,218		3,218
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 10,366	\$ 0	\$ 10,366
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 14,467	\$ (714)	\$ 13,753
085	Utilities		8,028		8,028
090	Client Transportation	1	6,169	(3,600)	2,569
095	Dietary		13,707		13,707
100	Personal Care and Laundry		636		636
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 43,007	\$ (4,314)	\$ 38,693
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 53,373	\$ (4,314)	\$ 49,059
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,037	\$	\$ 14,037
120	QMRP Fringe Benefits		3,997		3,997
125	Lead Salaries		16,614		16,614
130	Lead Fringe Benefits		4,872		4,872
135	Aides Salaries		118,215		118,215
140	Aides Fringe Benefits		26,594		26,594
145	Other Salaries		6,704		6,704
150	Other Fringe Benefits		1,261		1,261
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 192,294	\$ 0	\$ 192,294

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SAFE HARBOR RESIDENTIAL SERVICES - DOUTY

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

Provider Number:
LTC60622G

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 944	\$	\$ 944
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		160		160
185	Nurse Consultant	3	8,958	(60)	8,898
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		1,530		1,530
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,592	\$ (60)	\$ 11,532
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 26,457	\$	\$ 26,457
225	Administrative Fringe Benefits		5,718		5,718
226	Quality Assurance Fees		22,801		22,801
230	Other Administrative and General	4	64,827	(7,810)	57,017
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 119,803	\$ (7,810)	\$ 111,993
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 377,062	\$ (12,184)	\$ 364,878
	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)		\$ 377,062	\$ (12,184)	\$ 364,878

Provider Name		Fiscal Period				Provider Number		Adjustments				
SAFE HARBOR RESIDENTIAL SERVICES - DOUTY		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC60622G		4				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		Line	Sch	Col.	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Line	Col.	Sch							
ADJUSTMENTS TO REPORTED COSTS												
1	4	90	4	2	90.00	2	4	2	90.00	\$6,169	(\$3,600)	\$2,569
Client Transportation To eliminate related party auto lease expense. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Sections 1000, 1005, 2300 and 2304												
2	4	80	4	2	80.00	2	4	2	80.00	\$14,467	(\$714)	\$13,753
Home Operations and Maintenance To eliminate prescription drugs costs not included in the rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51510.2(b)												
3	4.1	185	4	2	185.00	2	4	2	185.00	\$8,958	(\$60)	\$8,898
Nurse Consultant To eliminate nurse consultant expense to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304												
4	4.1	230	4	2	230.00	2	4	2	230.00	\$64,827	(\$7,810)	\$57,017
Other General and Administrative To correct the provider's adjustment to interest expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304												