

**REPORT
ON THE
RATE SETTING AUDIT**

**TLC ON LOMBARD
ROHNERT PARK, CALIFORNIA
PROVIDER NUMBER: LTC60976G AND
NPI NUMBER: 1043347388**

**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: Richard Chen**



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



EDMUND G. BROWN JR.
GOVERNOR

January 25, 2011

Peter Ricciardone
Chief Financial Officer
TLC on Lombard
804 Lombard Way
Rohnert Park, CA 94928

PROVIDER: TLC ON LOMBARD
PROVIDER NUMBER: LTC60976G
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We have examined the facility's Integrated Disclosure 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	\$	354,446	\$ 161.85
Net Audit Adjustment		<u>(7,392)</u>	<u>(3.38)</u>
Audited Cost/Cost Per Day	\$	<u>347,054</u>	\$ <u>158.47</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments Schedule

Peter Ricciardone
Page 2

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) 440-7700

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—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:
TLC ON LOMBARD

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

Provider Number:
LTC60976G

Provider NPI:
1043347388

**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	0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>354,446</u>	\$ <u>347,054</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>161.85</u>	\$ <u>158.47</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TLC ON LOMBARD

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

Provider Number:
LTC60976G

NPI:
1043347388

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	\$ 0	\$ 0
050	Leases and Rentals		27,092	0	27,092
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,092	\$ 0	\$ 27,092
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 15,865	\$ 0	\$ 15,865
085	Utilities		5,788	0	5,788
090	Client Transportation		5,192	0	5,192
095	Dietary		15,527	0	15,527
100	Personal Care and Laundry		372	0	372
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,744	\$ 0	\$ 42,744
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 69,836	\$ 0	\$ 69,836
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 11,491	\$ 0	\$ 11,491
120	QMRP Fringe Benefits		0		0
125	Lead Salaries	1	28,649	(1,507)	27,142
130	Lead Fringe Benefits		0		0
135	Aides Salaries	1	92,365	225	92,590
140	Aides Fringe Benefits		0		0
145	Other Salaries		1,425	0	1,425
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 133,930	\$ (1,282)	\$ 132,648

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TLC ON LOMBARD

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		\$ 1,300	\$ 0	\$ 1,300
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		138	0	138
185	Nurse Consultant		12,240	0	12,240
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 13,678	\$ 0	\$ 13,678
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		23,152	0	23,152
230	Other Administrative and General	2	113,850	(6,110)	107,740
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 137,002	\$ (6,110)	\$ 130,892
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 354,446	\$ (7,392)	\$ 347,054
	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)		\$ 354,446	\$ (7,392)	\$ 347,054

Provider Name		Fiscal Period		Provider Number		Adjustments			
TLC ON LOMBARD		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60976G		2			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report						
ADJUSTMENTS TO REPORTED COSTS									
1	4.1 of 6	125	4	2	125	3	\$28,649	(\$1,507)	\$27,142
	4.1 of 6	135	4	2	135	3	92,365	225	92,590
Lead Salaries Aides Salaries To adjust salary expenses to agree with the provider's payroll records. CMS Pub. 15-1, Sections 2300 and 2304									
2	4.1 of 6	230	4	2	230	3	\$113,850	(\$6,110)	\$107,740
Other General and Administrative To eliminate state and federal income taxes. CMS Pub. 15-1, Sections 2122.2A and 2122.2B									