

**REPORT ON THE  
RATE SETTING AUDIT**

**MOUNTAIN SHADOWS SPECIAL KIDS HOMES—  
BAIN HOUSE  
RIVERSIDE, CALIFORNIA  
PROVIDER NUMBER: LTC80004H  
NATIONAL PROVIDER IDENTIFIER: 1306995220**

**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 SPECIAL KIDS HOMES—BAIN HOUSE  
PROVIDER NUMBER LTC80004H  
NATIONAL PROVIDER IDENTIFIER (NPI) 1306995220  
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	\$	421,380	\$ 233.58
Net Audit Adjustment		(404)	(22.03)
Audited Cost/Cost Per Day	\$	<u>420,976</u>	\$ <u>211.55</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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 SPECIAL KIDS HOMES—BAIN HOUSE

**Fiscal Period:**

JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

**Provider Number:**

LTC80004H

**Provider NPI:**

1306995220

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj 2)	1,804	1,990
2. Other Client Days (Adj )	0	0
3. Total Client Days (Adj 2)	<u>1,804</u>	<u>1,990</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>421,380</u>	\$ <u>420,976</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>233.58</u>	\$ <u>211.55</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 SPECIAL KIDS HOMES—BAIN HOUSE

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

**Provider Number:**  
LTC80004H

**NPI:**  
1306995220

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$	\$	\$ 0
050	Leases and Rentals		30,000		30,000
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)		\$ 30,000	\$ 0	\$ 30,000
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 2,228	\$	\$ 2,228
085	Utilities		6,365		6,365
090	Client Transportation				0
095	Dietary		6,933		6,933
100	Personal Care and Laundry		12,903		12,903
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 28,429	\$ 0	\$ 28,429
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 58,429	\$ 0	\$ 58,429
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 6,401	\$	\$ 6,401
120	QMRP Fringe Benefits		874		874
125	Lead Salaries		35,044		35,044
130	Lead Fringe Benefits		8,554		8,554
135	Aides Salaries		80,308		80,308
140	Aides Fringe Benefits		19,603		19,603
145	Other Salaries		77,579		77,579
150	Other Fringe Benefits		18,188		18,188
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 246,551	\$ 0	\$ 246,551

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE

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

Provider Number:  
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
<b>EXPENSES: CONSULTANT COSTS</b>					
160	Dietician Consultant		\$ 1,159	\$	\$ 1,159
165	Speech Pathology Consultant		1,375		1,375
170	Physical Therapy Consultant		1,825		1,825
175	Occupational Therapy Consultant		1,025		1,025
180	Pharmacist Consultant		204		204
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		3,600		3,600
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 9,188	\$ 0	\$ 9,188
<b>EXPENSES: ADMINISTRATIVE COSTS</b>					
220	Administrative Salaries		\$ 4,268	\$	\$ 4,268
225	Administrative Fringe Benefits		583		583
226	Quality Assurance Fees		17,816		17,816
230	Other General and Administrative	1	84,545	(404)	84,141
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 107,212	\$ (404)	\$ 106,808
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 421,380	\$ (404)	\$ 420,976
			(To Sch. 1)		(To Sch. 1)
<b>NON-CLIENT CARE EXPENSES</b>					
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 421,380	\$ (404)	\$ 420,976

Provider Name		Fiscal Period				Provider Number, NPI		Adjustments	
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC80004H, 1306995220		2	
Adj. No.	Cost Report	Report References		Sch.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Line	Col.						
1	4.1 of 6	230	4	2	230	3	\$84,545	(\$404)	\$84,141
<p>Other General and Administrative</p> <p>To adjust reported home office costs to agree with the Mountain Shadows Special Kids Home Office Audit Report for fiscal period ended December 31, 2009.</p> <p>42 CFR 413.17, 413.20, and 413.24</p> <p>CMS Pub. 15-1, Sections 2150.2, 2300, and 2304</p>									
<b>ADJUSTMENT TO REPORTED COSTS</b>									

Provider Name		Fiscal Period				Provider Number, NPI		Adjustments	
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—BAIN HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC80004H, 1306995220		2	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Line	Col.				
2	2 of 6	3	1	1	1	1,804	186	1,990	
	2 of 6	3	3	1	3	1,804	186	1,990	
<b>ADJUSTMENT TO REPORTED PATIENT DAYS</b>									
Medi-Cal Client Days 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									