

**REPORT
ON THE
RATE SETTING AUDIT**

**JESSICA HOUSE
GOLETA, CALIFORNIA
PROVIDER NUMBER: LTC80084F
NATIONAL PROVIDER IDENTIFIER: 1073732897**

**FISCAL PERIOD ENDED
JUNE 30, 2007**

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

**Section Chief: Cheryl Phillips
Audit Supervisor: Cyrus Lam
Auditor: George Barbosa**



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



ARNOLD SCHWARZENEGGER
Governor

December 30, 2008

Ellen Johnson
Executive Director
Jessica House
825 N. Kellogg Avenue
Santa Barbara, CA 93111

PROVIDER: JESSICA HOUSE
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We have examined the facility's 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	\$	485,936	\$ 221.28
Net Audit Adjustment		<u>(3,325)</u>	<u>(1.51)</u>
Audited Cost/Cost Per Day	\$	<u>482,611</u>	\$ <u>219.77</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
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.

Ellen Johnson
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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
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
PO 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—Gardena at (310) 516-4757.

Signed By:

Cheryl Phillips, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

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

Provider:
JESSICA HOUSE

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC80084F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>485,936</u>	\$ <u>482,611</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>221.28</u>	\$ <u>219.77</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:
JESSICA HOUSE

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC80084F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1,3	\$ 11,582	\$ 684	\$ 12,266
050	Leases and Rentals				0
055	Real Property Taxes		218		218
060	Personal Property Taxes				0
065	Mortgage Interest		3,355		3,355
070	Property Insurance	4	972	516	1,488
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 16,127	\$ 1,200	\$ 17,327
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,253	\$	\$ 6,253
085	Utilities		6,233		6,233
090	Client Transportation	1	9,634	(5,848)	3,786
095	Dietary		12,344		12,344
100	Personal Care and Laundry	2	9,923	1,323	11,246
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 44,387	\$ (4,525)	\$ 39,862
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 60,514	\$ (3,325)	\$ 57,189
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 9,598	\$	\$ 9,598
120	QMRP Fringe Benefits		2,020		2,020
125	Lead Salaries		106,529		106,529
130	Lead Fringe Benefits		23,875		23,875
135	Aides Salaries		141,579		141,579
140	Aides Fringe Benefits		25,855		25,855
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 309,456	\$ 0	\$ 309,456

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
JESSICA HOUSE

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC80084F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,305	\$	\$ 1,305
165	Speech Pathology Consultant		1,020		1,020
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,141		1,141
180	Pharmacist Consultant		325		325
185	Nurse Consultant		44		44
190	Psychologist Consultant				0
195	Physician Consultant		935		935
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		1,365		1,365
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,135	\$ 0	\$ 6,135
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		27,788		27,788
230	Other Administrative and General		82,043		82,043
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 109,831	\$ 0	\$ 109,831
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 485,936	\$ (3,325)	\$ 482,611
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 600	\$	\$ 600
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 486,536	\$ (3,325)	\$ 483,211

SUMMARY OF AUDITED LABOR REPORT

Provider:
JESSICA HOUSE

Fiscal Period:
JULY 1, 2006 THROUGH JUNE 30, 2007

Provider Number:
LTC80084F

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 2,020	\$ 9,598	418	\$ 22.96
2	Lead	23,875	106,529	5,248	20.30
3	Aides	25,855	141,579	12,908	10.97
4	Other	0	0		0.00
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 51,750	\$ 257,706	18,574	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,305	29	\$ 45.00
7	Speech Pathology		1,020	26	39.23
8	Physical Therapy				0.00
9	Occupational Therapy		1,141	35	32.60
10	Pharmacist		325	7	46.43
11	Nurse		44	2	22.00
12	Psychologist				0.00
13	Physician		935	14	66.79
14	Recreational				0.00
15	Social Service				0.00
16	Other		1,365	16	85.31
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 6,135	129	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$	\$		\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 51,750	\$ 263,841	18,703	

Provider Name		Fiscal Period		Provider Number		Adjustments		
JESSICA HOUSE		JULY 1, 2006 THROUGH JUNE 30, 2007		LTC 80084F		4		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
1	4	45	4	2	45.00	\$11,582	\$5,848	\$17,430 *
	4	90	4	2	90.00	9,634	(5,848)	3,786
<p align="center">RECLASSIFICATIONS OF REPORTED COSTS</p> <p>Depreciation and Amortization</p> <p>Client Transportation</p> <p>To reclassify auto depreciation and amortization expenses to the appropriate cost center.</p> <p>42 CFR 413.20 and 413.24</p> <p>CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8</p>								

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments		
JESSICA HOUSE		JULY 1, 2006 THROUGH JUNE 30, 2007		LTC 80084F		4		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Explanation of Audit Adjustments								
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
2	4	100	4	2	100.00	\$9,923	\$1,323	\$11,246
Personal Care and Laundry To adjust the reported personal care and laundry expense to agree with the audited financial statements. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
3	4	45	4	2	45.00	\$17,430	(\$5,164)	\$12,266
Depreciation and Amortization To adjust the reported depreciation expense to agree with the audited financial statements. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
4	4	70	4	2	70.00	\$972	\$516	\$1,488
Property Insurance To include property insurance expense to agree with the provider's property insurance invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								

*Balance carried forward from prior/to subsequent adjustments