

**REPORT
ON THE
RATE SETTING AUDIT**

**BAIN DIVISION
RIVERSIDE, CALIFORNIA
PROVIDER NUMBER: LTC80004G**

**FISCAL PERIOD ENDED
DECEMBER 31, 2007**

**Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Margaret A. Varho
Audit Supervisor: Henry Igboke
Auditor: Monique Nguyen**



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

November 7, 2008

Lupe Bryson
Business Office Manager
Mountain Shadows Community Homes
135 Vallecitos de Oro
San Marcos, CA 92069

PROVIDER: BAIN DIVISION
PROVIDER NO: LTC80004G
FISCAL PERIOD ENDED DECEMBER 31, 2007

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	\$	378,660	\$ 181.79
Net Audit Adjustment		<u>886</u>	<u>0.42</u>
Audited Cost/Cost Per Day	\$	<u>379,546</u>	\$ <u>182.21</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.

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—Santa Ana at (714) 558-4434.

(Original Signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
BAIN DIVISION

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80004G

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,083	2,083
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,083</u>	<u>2,083</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>378,660</u>	\$ <u>379,546</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>181.79</u>	\$ <u>182.21</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</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:
BAIN DIVISION

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80004G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$	\$	\$ 0
050	Leases and Rentals		27,250		27,250
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)		\$ 27,250	\$ 0	\$ 27,250
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,882	\$	\$ 4,882
085	Utilities		5,489		5,489
090	Client Transportation				0
095	Dietary		8,020		8,020
100	Personal Care and Laundry		12,474		12,474
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 30,865	\$ 0	\$ 30,865
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 58,115	\$ 0	\$ 58,115
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 6,336	\$	\$ 6,336
120	QMRP Fringe Benefits		525		525
125	Lead Salaries		27,979		27,979
130	Lead Fringe Benefits		10,430		10,430
135	Aides Salaries		65,174		65,174
140	Aides Fringe Benefits		24,296		24,296
145	Other Salaries		1,963		1,963
150	Other Fringe Benefits		161		161
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 136,862	\$ 0	\$ 136,864

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BAIN DIVISION

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80004G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	1	\$ 1,400	\$ (90)	\$ 1,310
165	Speech Pathology Consultant		1,340		1,340
170	Physical Therapy Consultant	2	1,528	(78)	1,450
175	Occupational Therapy Consultant		1,850		1,850
180	Pharmacist Consultant				0
185	Nurse Consultant		67,689		67,689
190	Psychologist Consultant				0
195	Physician Consultant		3,215		3,215
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 77,022	\$ (168)	\$ 76,854
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 4,224	\$	\$ 4,224
225	Administrative Fringe Benefits		350		350
226	Quality Assurance Fees	3	23,268	1,052	24,320
230	Other Administrative and General		78,819		78,819
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 106,661	\$ 1,052	\$ 107,713
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 378,660	\$ 884	\$ 379,546
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 378,660	\$ 884	\$ 379,546

SUMMARY OF AUDITED LABOR REPORT

Provider:
BAIN DIVISION

Fiscal Period:
JANURARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80004G

Line No.	Description	AS AUDITED			Average Hourly Wage (Col 2 / Col 3)
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj 4)	
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 525	\$ 6,336	344	\$ 18.42
2	Lead	10,430	27,979	2,782	10.06
3	Aides	24,296	65,174	8,529	7.64
4	Other	161	1,963	175	11.22
5	TOTAL DIRECT CARE (Lines1 through 4)	\$ 35,412	\$ 101,452	11,830	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,310	29	\$ 45.17
7	Speech Pathology		1,340	34	40.00
8	Physical Therapy		1,450	29	50.00
9	Occupational Therapy		1,850	37	50.00
10	Pharmacist		0	0	0.00
11	Nurse		67,689	3,393	19.95
12	Psychologist		0	0	0.00
13	Physician		3,215	0	0.00
14	Recreational		0	0	0.00
15	Social Service		0	0	0.00
16	Other		0	0	0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 76,854	3,522	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$ 350	\$ 4,224	230	\$ 18.37
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 35,762	\$ 182,530	15,582	

Department of Health Care Services

Provider Name		Fiscal Period		Provider Number		Adjustments		
BAIN DIVISION		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80004G		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>								
1	4.1	160	4		160.00	\$1,400	(\$90)	\$1,310
Dietician Consultant To adjust the reported dietician consultant expense to agree with the provider's paid invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
2	4.1	170	4		170.00	\$1,528	(\$78)	\$1,450
Physical Therapy Consultant To adjust the reported physical therapy expense to agree with the provider's paid invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
3	4.1	226	4		226.00	\$23,268	\$1,052	\$24,320
Quality Assurance Fees To adjust the reported quality assurance fees to agree with the provider's quarterly payments for 2007. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								

Provider Name		Fiscal Period		Provider Number		Adjustments		
BAIN DIVISION		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80004G		4		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
		Line	Col.					
4	6	6	3	3	6.00	7	22	29
	6	7	3	3	7.00	31	3	34
	6	8	3	3	8.00	30	(1)	29
	6	13	3	3	13.00	16	(16)	0
<p style="text-align: center;"><u>ADJUSTMENT TO THE LABOR REPORT</u></p> <p style="text-align: center;">To adjust the reported consultants' total hours to agree with the provider's paid invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304</p>								