

**REPORT
ON THE
RATE SETTING AUDIT**

**HALBROOK DIVISION
RIVERSIDE, CALIFORNIA
PROVIDER NUMBER: LTC80025F**

**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: Nahid Nastar**



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



ARNOLD SCHWARZENEGGER
Governor

November 14, 2008

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

PROVIDER: HALBROOK DIVISION
PROVIDER NO. LTC80025F
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	\$	410,511		\$ 187.45
Net Audit Adjustment		<u>(96)</u>		<u>(0.05)</u>
Audited Cost/Cost Per Day	\$	<u>410,415</u>		\$ <u>187.40</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.

Lupe Bryson
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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) 440-7745

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:
HALBROOK DIVISION

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

Provider Number:
LTC80025F

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>410,511</u>	\$ <u>410,415</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>187.45</u>	\$ <u>187.40</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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:
HALBROOK DIVISION

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

Provider Number:
LTC80025F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 3,793	\$	\$ 3,793
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes	1	96	(96)	0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 3,889	\$ (96)	\$ 3,793
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,106	\$	\$ 8,106
085	Utilities		6,605		6,605
090	Client Transportation				0
095	Dietary		8,716		8,716
100	Personal Care and Laundry		10,805		10,805
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 34,233	\$ 0	\$ 34,233
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 38,122	\$ (96)	\$ 38,026
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 9,728	\$	\$ 9,728
120	QMRP Fringe Benefits		779		779
125	Lead Salaries		16,141		16,141
130	Lead Fringe Benefits		4,984		4,984
135	Aides Salaries		106,953		106,953
140	Aides Fringe Benefits		33,025		33,025
145	Other Salaries		2,819		2,819
150	Other Fringe Benefits		224		224
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 174,653	\$ 0	\$ 174,653

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HALBROOK DIVISION

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

Provider Number:
LTC80025F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,243	\$	\$ 1,243
165	Speech Pathology Consultant		1,080		1,080
170	Physical Therapy Consultant		1,228		1,228
175	Occupational Therapy Consultant		1,250		1,250
180	Pharmacist Consultant				0
185	Nurse Consultant		73,993		73,993
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)		\$ 82,008	\$ 0	\$ 82,008
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 6,485	\$	\$ 6,485
225	Administrative Fringe Benefits		519		519
226	Quality Assurance Fees		25,291		25,291
230	Other Administrative and General		83,434		83,434
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 115,728	\$ 0	\$ 115,728
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 410,511	\$ (96)	\$ 410,415
	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)		\$ 410,511	\$ (96)	\$ 410,415

SUMMARY OF AUDITED LABOR REPORT

Provider:
HALBROOK DIVISION

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

Provider Number:
LTC80025F

Line No.	Description	AS AUDITED			Average Hourly Wage (Col 2 / Col 3)
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj)	
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 779	\$ 9,728	391	\$ 24.88
2	Lead	4,984	16,141	1,636	9.87
3	Aides	33,025	106,953	11,218	9.53
4	Other	224	2,819	303	9.30
5	TOTAL DIRECT CARE (Lines1 through 4)	\$ 39,012	\$ 135,641	13,548	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,243	6	\$ 207.17
7	Speech Pathology		1,080	24	45.00
8	Physical Therapy		1,228	34	36.12
9	Occupational Therapy		1,250	25	50.00
10	Pharmacist		0	2	0.00
11	Nurse		73,993	3,515	21.05
12	Psychologist		0	0	0.00
13	Physician		3,215	15	214.33
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	\$ 82,008	3,622	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$ 519	\$ 6,485	260	\$ 24.94
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 39,531	\$ 224,134	17,430	

Provider Name		Fiscal Period		Provider Number		Adjustments		
HALBROOK DIVISION		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80025F		1		
Adj. No.	Report References			Sch	Line	As Reported	Increase (Decrease)	As Adjusted
	COST REPORT	AUDIT REPORT	Line Col.					
1	4	60	4	2	60	\$96	(\$96)	\$0
<p>Explanation of Audit Adjustments</p> <p>ADJUSTMENT TO REPORTED COSTS</p> <p>Personal Property Taxes To eliminate prior year's tax expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1</p>								

