REPORT
ON THE
RATE SETTING AUDIT

SUNSHINE DIVISION
RIVERSIDE, CALIFORNIA
PROVIDER NUMBER: LTC80158F

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
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Auditor: Monique Nguyen

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

SANDRA SHEWRY
Director

ARNOLD SCHWARZENEGGER
Governor

November 3, 2008

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

PROVIDER: SUNSHINE DIVISION
PROVIDER NO: LTC80158F
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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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	417,363	$	190.58
Net Audit Adjustment		(1,178)		(0.54)
Audited Cost/Cost Per Day	$	416,185	$	190.04

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:
SUNSHINE DIVISION

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

Provider Number:
LTC80158F

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	2,190	2,190
4. Total Client Care Expenses (From Sch. 2)	$ 417,363	$ 416,185
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 190.58	$ 190.04
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ 0	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$ 0	$ 0
2. Credit Balances (Adj)	$ 0	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SUNSHINE DIVISION

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

Provider Number:
LTC80158F

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		$ 2,814	$	$ 2,814
085	Utilities		4,169		4,169
090	Client Transportation				0
095	Dietary		11,200		11,200
100	Personal Care and Laundry		8,934		8,934
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 27,117	$ 0	$ 27,117
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 54,367	$ 0	$ 54,367
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 5,807	$	$ 5,807
120	QMRP Fringe Benefits		402		402
125	Lead Salaries		10,513		10,513
130	Lead Fringe Benefits		3,000		3,000
135	Aides Salaries		119,105		119,105
140	Aides Fringe Benefits		33,985		33,985
145	Other Salaries		3,777		3,777
150	Other Fringe Benefits		309		309
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 176,898	$ 0	$ 176,898

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SUNSHINE DIVISION

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

Provider Number:
LTC80158F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	1	$ 1,254	$ (90)	$ 1,164
165	Speech Pathology Consultant		1,340		1,340
170	Physical Therapy Consultant	2	1,378	(28)	1,350
175	Occupational Therapy Consultant		1,425		1,425
180	Pharmacist Consultant		0		0
185	Nurse Consultant		66,580		66,580
190	Psychologist Consultant		0		0
195	Physician Consultant		3,215		3,215
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 75,192	$ (118)	$ 75,074
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$ 3,871	$	$ 3,871
225	Administrative Fringe Benefits		268		268
226	Quality Assurance Fees	3	25,291	(1,060)	24,231
230	Other Administrative and General		81,476		81,476
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 110,906	$ (1,060)	$ 109,846
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 417,363	$ (1,178)	$ 416,185
	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)		$ 417,363	$ (1,178)	$ 416,185

SUMMARY OF AUDITED LABOR REPORT

Provider:
SUNSHINE DIVISION

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

Provider Number:
LTC80158F

Line No.	Description	AS AUDITED (1) Benefits	(2) Salaries	(3) Total Hours (Adj 4)	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF	(From Sch. 2)	(From Sch. 2)		
1	QMRP	$ 402	$ 5,807	278	$ 20.89
2	Lead	3,000	10,513	1,050	10.01
3	Aides	33,985	119,105	12,915	9.22
4	Other	309	3,777	414	9.12
5	TOTAL DIRECT CARE (Lines1 through 4)	$ 37,696	$ 139,202	14,657	
	CONSULTANT STAFF				
6	Dietician	$	$ 1,164	26	$ 45.20
7	Speech Pathology		1,340	34	40.00
8	Physical Therapy		1,350	27	50.00
9	Occupational Therapy		1,425	29	49.14
10	Pharmacist		0		0.00
11	Nurse		66,580	3,354	19.85
12	Psychologist		0		0.00
13	Physician		3,215	0	0.00
14	Recreational		0		0.00
15	Social Service		0		0.00
16	Other		0		0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	$ 0	$ 75,074	3,469	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	$ 268	$ 3,871	186	$ 20.81
19	TOTAL STAFF (Lines 5, 17, 18)	$ 37,964	$ 218,147	18,312	

Provider Name	Fiscal Period	Provider Number	Adjustments
SUNSHINE DIVISION	JANUARY 1, 2007 THROUGH DECEMBER 31, 2007	LTC80158F	4

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENTS TO REPORTED COSTS			
1	4.1	160	4		160.00	Dietician Consultant To adjust the reported dietician consultant expense to reconcile to the provider's paid invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$1,254	($90)	$1,164
2	4.1	170	4		170.00	Physical Therapy Consultant To adjust the reported physical therapy consultant expense to reconcile to the provider's paid invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$1,378	($28)	$1,350
3	4.1	226	4		226.00	Quality Assurance Fees To adjust the reported quality assurance fees to reconcile to the provider's paid invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$25,291	($1,060)	$24,231

Provider Name	Fiscal Period	Provider Number	Adjustments
SUNSHINE DIVISION	JANUARY 1, 2007 THROUGH DECEMBER 31, 2007	LTC80158F	4

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENT TO THE LABOR REPORT			
4	6	6	3	3	6.00	Dietician Consultant (Hours)	6	20	26
	6	7	3	3	7.00	Speech Pathology Consultant	31	3	34
	6	8	3	3	8.00	Physical Therapy Consultant	26	1	27
	6	13	3	3	13.00	Physician Consultant	15	(15)	0
						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			