REPORT
ON THE
RATE SETTING AUDIT

UCP/SCF RANCH HOUSE
SYLMAR, CALIFORNIA
PROVIDER NUMBER: LTC60211F / NPI 1518118082

FISCAL PERIOD ENDED
JUNE 30, 2008

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

Section Chief: Daniel J. Giardinelli
Audit Supervisor: Thomas Shimada
Auditor: Alison Dowling

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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

May 4, 2009

James P. Hudson
Director of Finance
UCP/SCF of Los Angeles and Ventura Counties
6430 Independence Avenue
Woodland Hills, California 91367

PROVIDER: UCP/SCF RANCH HOUSE
PROVIDER NO. LTC60211F / NPI 1518118082
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We have examined the facility's Integrated Disclosure and 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	$	444,294	$	202.32
Net Audit Adjustment		(830)		(0.38)
Audited Cost/Cost Per Day	$	443,464	$	201.94

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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
UCP/SCF RANCH HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC60211F

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	0
3. Total Client Days	2,196	2,196
4. Total Client Care Expenses (From Sch. 2)	$ 444,294	$ 443,464
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 202.32	$ 201.94
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:
UCP/SCF RANCH HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC60211F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	3	$ 958	$ (274)	$ 684
050	Leases and Rentals		17,865		17,865
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 18,823	$ (274)	$ 18,549
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 22	$	$ 22
085	Utilities		0		0
090	Client Transportation		3,344		3,344
095	Dietary		23,401		23,401
100	Personal Care and Laundry		7,909		7,909
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 34,676	$ 0	$ 34,676
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 53,499	$ (274)	$ 53,225
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 14,480	$	$ 14,480
120	QMRP Fringe Benefits		5,915		5,915
125	Lead Salaries		28,497		28,497
130	Lead Fringe Benefits		12,441		12,441
135	Aides Salaries		140,680		140,680
140	Aides Fringe Benefits		53,802		53,802
145	Other Salaries		5,424		5,424
150	Other Fringe Benefits		2,155		2,155
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 263,394	$ 0	$ 263,394

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
UCP/SCF RANCH HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC60211F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 960	$	$ 960
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		101		101
175	Occupational Therapy Consultant		2,743		2,743
180	Pharmacist Consultant		70		70
185	Nurse Consultant		21,287		21,287
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		125		125
205	Social Service Consultant		7,078		7,078
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 32,364	$ 0	$ 32,364
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$ 8,531	$	$ 8,531
225	Administrative Fringe Benefits		3,438		3,438
226	Quality Assurance Fees		23,954		23,954
230	Other Administrative and General	1 & 2	59,114	(556)	58,558
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 95,037	$ (556)	$ 94,481
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 444,294	$ (830)	$ 443,464
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
240	Non-Program Services		$ 0	$	$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		$ 444,294	$ (830)	$ 443,464

SUMMARY OF AUDITED LABOR REPORT

Provider:
UCP/SCF RANCH HOUSE

Fiscal Period:
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:
LTC60211F

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	$ 5,915	$ 14,480	603.35	$ 24.00
2	Lead	12,441	28,497	2,194.9	12.98
3	Aides	53,802	140,680	13,551.32	10.38
4	Other	2,155	5,424	270.04	20.09
5	TOTAL DIRECT CARE (Lines1 through 4)	$ 74,313	$ 189,081	16,619.61	
	CONSULTANT STAFF				
6	Dietician	$ 0	$ 960	16	$ 60.00
7	Speech Pathology	0	0	0	0.00
8	Physical Therapy	0	101	2.24	45.09
9	Occupational Therapy	795	1,948	48.48	40.18
10	Pharmacist	0	70	0	0.00
11	Nurse	6,582	14,705	361.72	40.65
12	Psychologist	0	0	0	0.00
13	Physician	0	0	0	0.00
14	Recreational	16	109	2.50	43.60
15	Social Service	2,436	4,642	113.21	41.00
16	Other	0	0	0	0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	$ 9,829	$ 22,535	544	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	$ 3,438	$ 8,531	392.42	$ 21.74
19	TOTAL STAFF (Lines 5, 17, 18)	$ 87,580	$ 220,147	17,556.18	

Provider Name	Fiscal Period	Provider Number	Adjustments
UCP/SCF RANCH HOUSE	JULY 1, 2007 THROUGH JUNE 30, 2008	LTC60211F	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	230	4	2	230.00	Other General and Administrative To eliminate the reported legal expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$59,114	($360)	$58,754 *
2	4.1	230	4	2	230.00	Other General and Administrative * To eliminate the reported petty cash expense not applicable to the facility under audit. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300, 2302.1, and 2304	$58,754	($196)	$58,558
3	4	45	4	2	45.00	Depreciation and Amortization To adjust for a change in useful life to agree with the American Hospital Association Guidelines. 42 CFR 413.20 and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17 and 104.18	$958	($274)	$684

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustments
UCP/SCF RANCH HOUSE	JULY 1, 2007 THROUGH JUNE 30, 2008	LTC60211F	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	3	3	3	3.00	Aides (Hours)	13,504.42	46.90	13,551.32
	6	18	3	3	18.00	Administrative Salaries	70.29	322.13	392.42
						To adjust the reported labor hours to agree with the provider's payroll records and adjustments for proper cost determination. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			