

**REPORT
ON THE
RATE SETTING AUDIT**

**DONNA HOUSE
BEAUMONT, CALIFORNIA
PROVIDER NUMBER: LTC80340F**

**FISCAL PERIOD ENDED
JUNE 30, 2008**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Ted Ha**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

October 27, 2009

Dennis Mattson, President
Independent Options, Inc.
P.O. Box 2197
Corona, CA 92878 - 2197

PROVIDER: DONNA HOUSE
PROVIDER NO. LTC80340F
FISCAL PERIOD ENDED JUNE 30, 2008

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	\$	257,602	\$ 211.02
Net Audit Adjustment		<u>(233)</u>	<u>(0.11)</u>
Audited Cost/Cost Per Day	\$	<u>458,518</u>	\$ <u>210.91</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
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.

Dennis Mattson
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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—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:
DONNA HOUSE

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

Provider Number:
LTC80340F

Provider NPI:
1851463483

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,174	2,174
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,174</u>	<u>2,174</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>458,751</u>	\$ <u>458,518</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>211.02</u>	\$ <u>210.91</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)	\$ _____	\$ <u>0</u>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DONNA HOUSE

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

Provider Number:
LTC80340F

Provider NPI:
1851463483

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 1,483	\$ (101)	\$ 1,382
050	Leases and Rentals		24,840		24,840
055	Real Property Taxes				0
060	Personal Property Taxes		1,890		1,890
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,213	\$ (101)	\$ 28,112
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 18,829	\$	\$ 18,829
085	Utilities		6,280		6,280
090	Client Transportation	2	20,368	(73)	20,295
095	Dietary		8,976		8,976
100	Personal Care and Laundry	3	2,383	(59)	2,324
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 56,836	\$ (132)	\$ 56,704
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 85,049	\$ (233)	\$ 84,816
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 21,400	\$	\$ 21,400
120	QMRP Fringe Benefits		1,748		1,748
125	Lead Salaries		36,828		36,828
130	Lead Fringe Benefits		3,302		3,302
135	Aides Salaries		101,098		101,098
140	Aides Fringe Benefits		11,029		11,029
145	Other Salaries		75,977		75,977
150	Other Fringe Benefits		6,220		6,220
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 257,602	\$ 0	\$ 257,602

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DONNA HOUSE

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

Provider Number:
LTC80340F

Provider NPI:
1851463483

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,281	\$	\$ 1,281
165	Speech Pathology Consultant		2,640		2,640
170	Physical Therapy Consultant		2,320		2,320
175	Occupational Therapy Consultant		2,400		2,400
180	Pharmacist Consultant		703		703
185	Nurse Consultant				0
190	Psychologist Consultant		3,329		3,329
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		1,800		1,800
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,473	\$ 0	\$ 14,473
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		22,400		22,400
230	Other Administrative and General		79,227		79,227
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 101,627	\$ 0	\$ 101,627
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 458,751	\$ (233)	\$ 458,518
	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)		\$ 458,751	\$ (233)	\$ 458,518

Provider Name		Fiscal Period		Provider Number		Adjustments		
DONNA HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC80340F		3		
Adj. No.	MC530 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4	100	4	2	45.00	\$1,483	(\$101)	\$1,382
Depreciation and Amortization To adjust depreciation expense to the straight line basis. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 116 and 120								
2	4	100	4	2	90.00	\$20,368	(\$73)	\$20,295
Client Transportation To eliminate client transportation expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
3	4	100	4	2	100.00	\$2,383	(\$59)	\$2,324
Personal Care and Laundry To eliminate casino expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3								