

**REPORT  
ON THE  
RATE SETTING AUDIT**

**REDWOOD VALLEY HOUSE  
REDWOOD VALLEY, CALIFORNIA  
PROVIDER NUMBER: LTC60198I AND  
NPI NUMBER: 1528273836**

**FISCAL PERIOD ENDED  
JUNE 30, 2008**

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

**Section Chief: Louise Wong  
Audit Supervisor: Jesse Duran  
Auditor: Bob Dailey**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

January 26, 2010

Donald Pierce  
Accounting Manager  
Northern California Adaptive Living Center  
1074 East Avenue, Suite A3  
Redwood Valley, CA 95470

PROVIDER: REDWOOD VALLEY HOUSE  
PROVIDER NO. LTC60198I AND NPI NO. 1528273836  
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	\$	427,680		\$ 194.75
Net Audit Adjustment		<u>(639)</u>		<u>(0.29)</u>
Audited Cost/Cost Per Day	\$	<u>427,041</u>		\$ <u>194.46</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$1,895 which resulted from Medi-Cal overpayments.

The audit settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

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:

John Melton, 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  
P.O. 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.

Donald Pierce  
Page 3

If you have questions regarding this report, you may call the Audits Section—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section—Richmond  
Financial Audits Branch

Certified

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

**Provider:**  
REDWOOD VALLEY HOUSE

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

**Provider Number:**  
LTC60198I

**Provider NPI:**  
1528273836

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,196	2,196
2. Other Client Days (Adj )		0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>427,680</u>	\$ <u>427,041</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>194.75</u>	\$ <u>194.46</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
--	--------------	-------------

**OVERPAYMENTS**

1. Medi-Cal Overpayments (Adj 2)	\$ <u>0</u>	\$ <u>1,895</u>
2. Credit Balances (Adj )	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>1,895</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
REDWOOD VALLEY HOUSE

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

Provider Number:  
LTC601981

Provider NPI:  
1528273836

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 5,046	\$ 0	\$ 5,046
050	Leases and Rentals		16,200	0	16,200
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		2,857	0	2,857
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,103	\$ 0	\$ 24,103
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 20,154	\$ 0	\$ 20,154
085	Utilities	1	9,782	(639)	9,143
090	Client Transportation		14,257	0	14,257
095	Dietary		17,152	0	17,152
100	Personal Care and Laundry		9,275	0	9,275
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 70,620	\$ (639)	\$ 69,981
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 94,723	\$ (639)	\$ 94,084
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 16,296	\$ 0	\$ 16,296
120	QMRP Fringe Benefits		3,046	0	3,046
125	Lead Salaries		41,698	0	41,698
130	Lead Fringe Benefits		7,794	0	7,794
135	Aides Salaries		109,516	0	109,516
140	Aides Fringe Benefits		20,469	0	20,469
145	Other Salaries		10,800	0	10,800
150	Other Fringe Benefits		2,019	0	2,019
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 211,638	\$ 0	\$ 211,638

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
REDWOOD VALLEY HOUSE

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

Provider Number:  
LTC601981

Provider NPI:  
1528273836

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 617	\$ 0	\$ 617
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		427	0	427
180	Pharmacist Consultant		1,575	0	1,575
185	Nurse Consultant		73,877	0	73,877
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 76,496	\$ 0	\$ 76,496
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		27,820	0	27,820
230	Other Administrative and General		17,003	0	17,003
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 44,823	\$ 0	\$ 44,823
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 427,680	\$ (639)	\$ 427,041
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 36,559	\$	\$ 36,559
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 464,239	\$ (639)	\$ 463,600

Provider Name		Fiscal Period		Provider Number		Adjustments			
REDWOOD VALLEY HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC60198I		2			
Adj. No.	Report References		Line	Col.	Sch	Line	As Reported	Increase (Decrease)	As Adjusted
	COST REPORT	AUDIT REPORT							
1	4 of 6	085	4	2	85	Utilities	\$9,782	(\$639)	\$9,143
<p>To eliminate patient television cable costs.                      CMS Pub. 15-1, Section 2106.1</p> <p style="text-align: center;"><b>ADJUSTMENT TO REPORTED COSTS</b></p>									

Provider Name		Fiscal Period		Provider Number		Adjustments	
REDWOOD VALLEY HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC601981		2	
Report References		AUDIT REPORT					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	As Reported	Increase (Decrease)
2	Not reported			1	1	\$0	\$1,895
<p>Medi-Cal Overpayments                      To recover Medi-Cal overpayments due to incorrect billings.                      CMS Pub. 15-1, Sections 2304 and 2409                      CCR, Title 22, Sections 51458.1</p> <p><b>ADJUSTMENT TO OTHER MATTERS</b></p>							
							As Adjusted