

**REPORT
ON THE
RATE SETTING AUDIT**

**HOME HEALTH SERVICES
REDDING, CALIFORNIA
PROVIDER NUMBER: LTC80156H / 1386859478**

**FISCAL PERIOD ENDED
DECEMBER 31, 2008**

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

**Acting Section Chief: Jeffery Sandman
Audit Supervisor: Steven Gary
Auditor: Olga L. Barajas**



DAVID MAXERLL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 22, 2009

Dara Barzin, Owner
C.F.B., Inc.
1831 Canby Road
Redding, CA 96002

PROVIDER: HOME HEALTH SERVICES
PROVIDER NO. LTC80156H / 1386859478
FISCAL PERIOD ENDED: DECEMBER 31, 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	\$	472,648		\$ 239.80
Net Audit Adjustment		<u>(83,564)</u>		<u>(42.40)</u>
Audited Cost/Cost Per Day	\$	<u>389,084</u>		\$ <u>197.40</u>

This audit report includes the:

1. Audit Report Schedules 1 through 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.

DARA BARZIN
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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:

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
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 - Sacramento at (916) 650-6983.

Original Signed By

Jeffery Sandman, Acting Chief
Audits Section - Sacramento
Financial Audits Branch

Certified

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

Provider:
HOME HEALTH SERVICES

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80156H

Provider NPI:
1386859478

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,971	1,971
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,971</u>	<u>1,971</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>472,648</u>	\$ <u>389,084</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>239.80</u>	\$ <u>197.40</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HOME HEALTH SERVICES

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80156H

Provider NPI:
1386859478

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	1	26,000	(26,000)	0
055	Real Property Taxes				0
060	Personal Property Taxes		78		78
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 26,078	\$ (26,000)	\$ 78
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 18,716	\$ (3,894)	\$ 14,822
085	Utilities	3	8,983	(454)	8,529
090	Client Transportation		89		89
095	Dietary		22,503		22,503
100	Personal Care and Laundry	4	9,166	(561)	8,605
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 59,457	\$ (4,909)	\$ 54,548
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 85,535	\$ (30,909)	\$ 54,626
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		30,369		30,369
130	Lead Fringe Benefits		6,578		6,578
135	Aides Salaries		130,266		130,266
140	Aides Fringe Benefits		29,509		29,509
145	Other Salaries		42,957		42,957
150	Other Fringe Benefits		8,074		8,074
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 247,753	\$ 0	\$ 247,753

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HOME HEALTH SERVICES

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80156H

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1386859478

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 250	\$	\$ 250
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,421		2,421
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		16,216		16,216
190	Psychologist Consultant				0
195	Physician Consultant	5	15,525	(1,065)	14,460
200	Recreational Consultant		390		390
205	Social Service Consultant				0
210	Other Consultant		1,238		1,238
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 36,040	\$ (1,065)	\$ 34,975
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees	6 & 7	26,790	(26,790)	0
230	Other Administrative and General	8 & 9	76,530	(24,800)	51,730
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 103,320	\$ (51,590)	\$ 51,730
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 472,648	\$ (83,564)	\$ 389,084
	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)		\$ 472,648	\$ (83,564)	\$ 389,084

Provider Name		Fiscal Period		Provider Number		Adjustments			
HOME HEALTH SERVICES		JANUARY 01, 2008 THROUGH DECEMBER 31, 2008		LTC80156H		9			
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
	Cost Report	Line	Col.	Sch				Line	
1	4	50	4	2	50.00	Leases and Rentals To eliminate rental expenses applicable to a related party. 42 CFR 413.17, 413.134(h) and 413.24 CMS Pub. 15-1, Sections 1000, 2300 and 2304	\$26,000	(\$26,000)	\$0
2	4	80	4	2	80.00	Home Operations and Maintenance To eliminate part of home operations and maintenance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$18,716	(\$3,894)	\$14,822
3	4	85	4	2	85.00	Utilities To eliminate part of patient television costs. 42 CFR 413.5 and 413.9(c)(3) / CMS Pub. 15-1, Section 2106.1	\$8,983	(\$454)	\$8,529
4	4	100	4	2	100.00	Personal Care and Laundry To eliminate part of personal care and laundry expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$9,166	(\$561)	\$8,605
5	4	195	4	2	195.00	Physician Consultant To eliminate part of physician consultant expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$15,525	(\$1,065)	\$14,460
6	4	226	4	2	226.00	Quality Assurance Fees To eliminate checks that have not cleared the bank due to lack of documentation that the checks have been disbursed and that the liability has been properly liquidated. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$26,790	(\$10,320)	\$16,470 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments		
HOME HEALTH SERVICES		JANUARY 01, 2008 THROUGH DECEMBER 31, 2008		LTC80156H		9		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Line	Col.					
7	4	226	4	2	226.00	\$16,470	(\$16,470)	\$0
		Quality Assurance Fees To eliminate quality assurance fee due to lack of documentation of the expense incurred. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304						
8	4	230	4	2	230.00	\$76,530		
		Other General and Administration To eliminate reported home office expense in conjunction with adjustment number 9 to include audited home office costs. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304						
9							43,668	\$51,730
							(\$24,800)	

*Balance carried forward from prior/to subsequent adjustments