

**REPORT ON THE
RATE SETTING AUDIT
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—
GLEN HOUSE
RIVERSIDE, CALIFORNIA
PROVIDER NUMBER: LTC80008H
NATIONAL PROVIDER IDENTIFIER: 1750406070
FISCAL PERIOD ENDED
DECEMBER 31, 2008**

**Audits Section—San Diego
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Patricia M. Fox
Audit Supervisor: Woosung Lee
Auditor: Michelle L. Moreno**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 29, 2009

Wade Wilde
Executive Director
Mountain Shadows Special Kids Homes
135 Vallecitos De Oro, Suite D
San Marcos, CA 92069

MOUNTAIN SHADOWS SPECIAL KIDS HOMES—GLEN HOUSE
PROVIDER NUMBER LTC80008H
NATIONAL PROVIDER IDENTIFIER (NPI) 1750406070
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, patient days, and use of share of cost 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	\$	412,247	\$ 187.73
Net Audit Adjustment		<u>5,667</u>	<u>2.58</u>
Audited Cost/Cost Per Day	\$	<u>417,914</u>	\$ <u>190.31</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.

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 Hearings and Appeals
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—San Diego at (619) 688-3200.

Original Signed By

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

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

Provider: MOUNTAIN SHADOWS SPECIAL KIDS HOMES—GLEN HOUSE **Fiscal Period:** JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number: LTC80008H **Provider NPI:** 1750406070

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	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>412,247</u>	\$ <u>417,913</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>187.73</u>	\$ <u>190.31</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>N/A</u>	\$ <u>0</u>
OVERPAYMENTS		
1. Duplicate Payments (Adj)	\$ <u>0</u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—GLEN HOUSE

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

Provider Number:
LTC80008H

Provider NPI:
1750406070

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 3,489	\$	\$ 3,489
050	Leases and Rentals				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)		\$ 3,567	\$ 0	\$ 3,567
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,680	\$	\$ 5,680
085	Utilities		7,131		7,131
090	Client Transportation				0
095	Dietary		10,896		10,896
100	Personal Care and Laundry		14,095		14,095
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,802	\$ 0	\$ 37,802
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 41,369	\$ 0	\$ 41,369
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,608	\$	\$ 10,608
120	QMRP Fringe Benefits		2,513		2,513
125	Lead Salaries		9,063		9,063
130	Lead Fringe Benefits		1,373		1,373
135	Aides Salaries		110,076		110,076
140	Aides Fringe Benefits		16,672		16,672
145	Other Salaries		79,794		79,794
150	Other Fringe Benefits		11,890		11,890
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 241,989	\$ 0	\$ 241,989

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—GLEN HOUSE

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

Provider Number:
LTC80008H

Provider NPI:
1750406070

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,091	\$	\$ 1,091
165	Speech Pathology Consultant		1,427		1,427
170	Physical Therapy Consultant		1,225		1,225
175	Occupational Therapy Consultant		1,088		1,088
180	Pharmacist Consultant		108		108
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		3,600		3,600
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,539	\$ 0	\$ 8,539
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 7,072	\$	\$ 7,072
225	Administrative Fringe Benefits		1,675		1,675
226	Quality Assurance Fees	1	18,216	5,667	23,883
230	Other General and Administrative		93,386		93,386
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 120,350	\$ 5,667	\$ 126,016
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 412,247	\$ 5,667	\$ 417,913
	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)		\$* 412,247	\$ 5,667	\$ 417,913

* The reported column does not foot due to the provider's rounding.

Page 2 of 2

Provider Name		Fiscal Period				Provider Number, NPI		Adjustments	
MOUNTAIN SHADOWS SPECIAL KIDS HOMES—GLEN HOUSE		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008				LTC80008H, 1750406070		1	
Report References		Cost Report		Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	As Reported	Increase (Decrease)	As Adjusted	
1	4.1 of 6	226	4	2	226.00	\$18,216	\$5,667	\$23,883	
<p>ADJUSTMENT TO REPORTED COSTS</p> <p>Quality Assurance Fees To adjust the provider's reported Quality Assurance Fee to agree with the provider's records. H&S Code Sections 1324 and 1324.4 42 CFR 413.5, 413.20, 413.24, 413.50, and 413.53 CMS Pub. 15-1, Sections 2102, 2202.4, 2206, 2300, 2302.6, and 2304</p>									