

**REPORT  
ON THE  
RATE SETTING AUDIT**

**WALKER HOUSE  
LOMA LINDA, CALIFORNIA  
PROVIDER NUMBER: LTC80341F  
NPI: 1821147752**

**FISCAL PERIOD ENDED  
MARCH 31, 2009**

**Audits Section—Rancho Cucamonga  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Julio M. Cueto  
Audit Supervisor: Lucia Martinez  
Auditor: Daniela Bitá Mocanu**



DAVID MAXWELL-JOLLY  
Director

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



EDMUND G. BROWN JR.  
Governor

January 3, 2011

Carol Tipton  
Director of Administrative Services  
Horrigan Enterprises, Inc.  
7945 Cartilla Avenue, Suite A  
Rancho Cucamonga, CA 91730

WALKER HOUSE  
PROVIDER NUMBER LTC80341F  
NATIONAL PROVIDER IDENTIFIER (NPI) 1821147752  
FISCAL PERIOD ENDED MARCH 31, 2009

We have examined the facility's 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	\$	424,377	\$ 197.66
Net Audit Adjustment		<u>3,704</u>	<u>1.45</u>
Audited Cost/Cost Per Day	\$	<u>428,081</u>	\$ <u>199.11</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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  
Department of Health Care Services  
Office of Administrative Hearings and Appeals  
1029 J Street, Suite 200  
Sacramento, CA 95814  
(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

**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  
(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.

Carol Tipton  
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If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief  
Audits Section—Rancho Cucamonga  
Financial Audits Branch

Certified

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

**Provider:**  
WALKER HOUSE

**Fiscal Period:**  
APRIL 1, 2008 THROUGH MARCH 31, 2009

**Provider Number:**  
LTC80341F

**Provider NPI:**  
1821147752

**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 8)	2,147	2,150
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>2,147</u>	<u>2,150</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>424,377</u>	\$ <u>428,081</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>197.66</u>	\$ <u>199.11</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>	\$ <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:  
WALKER HOUSE

Fiscal Period:  
APRIL 1, 2008 THROUGH MARCH 31, 2009

Provider Number:  
LTC80341F

NPI:  
1821147752

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 11,518	\$	\$ 11,518
050	Leases and Rentals				0
055	Real Property Taxes		4,102		4,102
060	Personal Property Taxes		976		976
065	Mortgage Interest	2	14,900	5,670	20,570
070	Property Insurance	1	2,209	(872)	1,337
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 33,705	\$ 4,798	\$ 38,503
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	3	\$ 6,669	\$ (326)	\$ 6,343
085	Utilities	4	10,469	(16)	10,453
090	Client Transportation				0
095	Dietary		17,755		17,755
100	Personal Care and Laundry		7,604		7,604
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,497	\$ (342)	\$ 42,155
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 76,202	\$ 4,456	\$ 80,658
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 15,735	\$	\$ 15,735
120	QMRP Fringe Benefits		3,403		3,403
125	Lead Salaries		63,441		63,441
130	Lead Fringe Benefits		13,722		13,722
135	Aides Salaries		75,476		75,476
140	Aides Fringe Benefits		16,325		16,325
145	Other Salaries		62,710		62,710
150	Other Fringe Benefits		14,330		14,330
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 265,143	\$ 0	\$ 265,143

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
WALKER HOUSE

Fiscal Period:  
APRIL 1, 2008 THROUGH MARCH 31, 2009

Provider Number:  
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,105	\$	\$ 1,105
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		2,795		2,795
175	Occupational Therapy Consultant		1,175		1,175
180	Pharmacist Consultant		829		829
185	Nurse Consultant				0
190	Psychologist Consultant	5	1,285	95	1,380
195	Physician Consultant		3,600		3,600
200	Recreational Consultant		280		280
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,069	\$ 95	\$ 11,164
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		19,394		19,394
230	Other Administrative and General	1,6,7	52,570	(847)	51,723
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 71,964	\$ (847)	\$ 71,117
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 424,377	\$ 3,704	\$ 428,081
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 424,377	\$ 3,704	\$ 428,081

Provider Name		Fiscal Period		Provider Number		Adjustments				
WALKER HOUSE		APRIL 1, 2008 THROUGH MARCH 31, 2009		LTC80341F		8				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Audit Report	As Reported	Increase (Decrease)	As Adjusted
		Line	Col.							
1	4	70	4	2	2	3	Property Insurance	\$2,209	(\$872)	\$1,337
	4.1	230	4	2	2	3	Other General and Administrative	52,570	872	53,442 *
<p style="text-align: center;"><b>RECLASSIFICATION OF REPORTED COSTS</b></p> <p>To reclassify professional liability and other insurance expenses to the appropriate cost center                      42 CFR 413.20 and 413.24                      CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304</p>										

\*Balance carried forward from prior/to subsequent adjustments



Provider Name		Fiscal Period		Provider Number		Adjustments	
WALKER HOUSE		APRIL 1, 2008 THROUGH MARCH 31, 2009		LTC80341F		8	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Audit Report
		Line	Col.				
8	2	3	1	1	1	2	Client Days - Medi-Cal To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304
							As Reported 2,147
							Increase (Decrease) 3
							As Adjusted 2,150

**ADJUSTMENT TO REPORTED PATIENT DAYS**