

**REPORT
ON THE
RATE SETTING AUDIT**

**GAITHER'S FAMILY HOME #4 - HILLCREST
TULARE, CALIFORNIA
PROVIDER NUMBER: LTC80211F
NPI NUMBER: 1154446466**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Michael Harrold
Audit Supervisor: Kathy Atkins
Auditor: Tigran Gambaryan**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 22, 2010

Henrietta Gaither, Owner
Gaither's Family Home
1408 South Newcomb
Porterville, CA 93257

PROVIDER: GAITHER'S FAMILY HOME #4 - HILLCREST
PROVIDER NO. LTC80211F
NPI NO. 1154446466
FISCAL PERIOD ENDED DECEMBER 31, 2009

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 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	\$	333,394	\$ 153.07
Net Audit Adjustment		<u>(55,453)</u>	<u>(26.16)</u>
Audited Cost/Cost Per Day	\$	<u>277,941</u>	\$ <u>126.91</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
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.

Henrietta Gaither
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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—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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

Provider:
GAITHER'S FAMILY HOME #4 - HILLCREST

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80211F

Provider NPI:
1154446466

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 8)	2,178	2,190
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,178</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>333,394</u>	\$ <u>277,941</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>153.07</u>	\$ <u>126.91</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>	\$ <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:
GAITHER'S FAMILY HOME #4 - HILLCREST

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80211F

Provider NPI:
1154446466

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 4,693	\$	\$ 4,693
050	Leases and Rentals	1	20,918	(20,918)	0
055	Real Property Taxes	2	0	650	650
060	Personal Property Taxes				0
065	Mortgage Interest	3	0	19,918	19,918
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 25,611	\$ (350)	\$ 25,261
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4	\$ 26,470	\$ (20,955)	\$ 5,515
085	Utilities		6,845		6,845
090	Client Transportation				0
095	Dietary		5,377		5,377
100	Personal Care and Laundry	5	8,963	(2,923)	6,040
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 47,655	\$ (23,878)	\$ 23,777
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 73,266	\$ (24,228)	\$ 49,038
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	6	\$ 17,225	\$ (25)	\$ 17,200
120	QMRP Fringe Benefits				0
125	Lead Salaries		20,597		20,597
130	Lead Fringe Benefits		2,003		2,003
135	Aides Salaries	7	175,252	(31,200)	144,052
140	Aides Fringe Benefits		16,208		16,208
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 231,285	\$ (31,225)	\$ 200,060

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,092	\$	\$ 1,092
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		2,400		2,400
185	Nurse Consultant		16,700		16,700
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		1,380		1,380
205	Social Service Consultant				0
210	Other Consultant		512		512
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 22,084	\$ 0	\$ 22,084
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees				0
230	Other Administrative and General		6,759		6,759
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 6,759	\$ 0	\$ 6,759
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 333,394	\$ (55,453)	\$ 277,941
	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)		\$ 333,394	\$ (55,453)	\$ 277,941

Provider Name		Fiscal Period		Provider Number		Adjustments			
GAITHER'S FAMILY HOME #4 - HILLCREST		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80211F		8			
Adj. No.	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted		
	Cost Report	Audit Report							
7	4.1	135	4	2	135.00	Aides Salaries	\$175,252	(\$31,200)	\$144,052
<p>To eliminate administrative salaries due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 2300 and 2304</p>									
ADJUSTMENTS TO REPORTED COSTS									

Provider Name		Fiscal Period		Provider Number		Adjustments		
GAITHER'S FAMILY HOME #4 - HILLCREST		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80211F		8		
Adj. No.	Report References		Line	Col.	Sch	Line	As Reported	As Adjusted
	Cost Report	Audit Report						
8	2	3	1	1	1.00	Medi-Cal Client Days	2,178	2,190
						To adjust Medi-Cal client days to include bed hold and leave days. 42 CFR 413.24 CMS Pub. 15-1, Sections 2205.4 and 2304 CCR, Title 22, Sections 51535 (e) and 51535 (b)		
ADJUSTMENT TO REPORTED CLIENT DAYS								
							12	
							Increase (Decrease)	