

**REPORT
ON THE
RATE SETTING AUDIT**

**KLAMATH HOME ICF/DD-N
SACRAMENTO, CALIFORNIA
PROVIDER NUMBER: LTC80373F**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Steven Gary
Audit Supervisor: Kelly Ostrom
Auditor: Kristin Bone**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 30, 2010

Antonio Ranit, Administrator
9500 Littoral Street
Roseville, CA 95747

PROVIDER: KLAMATH HOME ICF/DD-N
PROVIDER NO. LTC80373F
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 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	\$	274,005	\$ 128.76
Net Audit Adjustment		<u>69,985</u>	<u>28.76</u>
Audited Cost/Cost Per Day	\$	<u>343,990</u>	\$ <u>157.43</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 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) 650-6994.

Original Signed By

Steven Gary, Chief
Audits Section - Sacramento
Financial Audits Branch

Certified

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

Provider:
KLAMATH HOME ICF/DD-N

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

Provider Number:
LTC80373F

Provider NPI:
1205002904

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	2,128	2,185
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,128</u>	<u>2,185</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>274,005</u>	\$ <u>343,990</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>128.76</u>	\$ <u>157.43</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> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
KLAMATH HOME ICF/DD-N

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

Provider Number:
LTC80373F

NPI:
1205002904

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$	\$ 7,872	\$ 7,872
050	Leases and Rentals	1	33,000	(33,000)	0
055	Real Property Taxes	1		3,111	3,111
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	1		1,117	1,117
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 33,000	\$ (20,900)	\$ 12,100
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,484	\$	\$ 6,484
085	Utilities	2,3	9,618	(994)	8,624
090	Client Transportation				0
095	Dietary		15,076		15,076
100	Personal Care and Laundry	4,5	28,900	(20,555)	8,345
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 60,078	\$ (21,549)	\$ 38,529
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 93,078	\$ (42,449)	\$ 50,629
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		115,525		115,525
140	Aides Fringe Benefits		21,686		21,686
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 137,211	\$ 0	\$ 137,211

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
KLAMATH HOME ICF/DD-N

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

Provider Number:
LTC80373F

NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 464	\$	\$ 464
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		326		326
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		750		750
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		830		830
200	Recreational Consultant		1,173		1,173
205	Social Service Consultant				0
210	Other Consultant		443		443
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 3,986	\$ 0	\$ 3,986
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 12,250	\$	\$ 12,250
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		18,977		18,977
230	Other Administrative and General	6	8,503	112,434	120,937
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 39,730	\$ 112,434	\$ 152,164
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 274,005	\$ 69,985	\$ 343,990
	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)		\$ 274,005	\$ 69,985	\$ 343,990

Provider Name		Fiscal Period		Provider Number		Adjustments		
Klamath Home ICF/DD-N		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80373F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
ADJUSTMENTS TO REPORTED COSTS								
1	4	50	4	2	50.00	\$33,000	(\$33,000)	\$0
	4	45	4	2	45.00	0	7,872	7,872
	4	55	4	2	55.00	0	3,111	3,111
	4	70	4	2	70.00	0	1,117	1,117
Leases and Rentals Depreciation and Amortization Real Property Taxes Property Insurance To eliminate reported lease expense in order to include actual cost of ownership. 42 CFR 413.134 / CMS Pub. 15-1, Section 104.10								
2	4	85	4	2	85.00	\$9,618		
Utilities To adjust reported amount for utilities expense to reconcile with provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
3							69	\$8,624
To adjust reported amount for telephone expense to reconcile with provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
4	4	100	4	2	100.00	\$28,900		
Personal Care and Laundry To eliminate personal care expenses due to insufficient documentation proving these costs are necessary, reasonable and patient care related. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2102.2, 2300 and 2304								
5							(17,659)	\$8,345
To eliminate funeral expense that was directly allocated to Klamath Home that is not patient care related. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2102.2, 2300 and 2304								

Provider Name		Fiscal Period		Provider Number		Adjustments		
Klamath Home ICF/DD-N		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80373F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
6	4.1	230	4	2	230.00	\$8,503	\$112,434	\$120,937
<p style="text-align: center;">ADJUSTMENTS TO REPORTED COSTS</p> <p>Other Administrative and General To include home office costs not reported by provider in error and to agree with Antelope Manor Home Home Office Audit Report for fiscal period ended December 31, 2009. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304</p>								

Provider Name		Fiscal Period		Provider Number		Adjustments		
Klamath Home ICF/DD-N		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80373F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
7	2	3	1	1.00	Total Patient Days	2,128	57	2,185
<p><u>ADJUSTMENTS TO REPORTED PATIENT DAYS</u></p> <p>To adjust patient days to reconcile with providers records and to include bed hold days. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304</p>								