

**REPORT
ON THE
RATE SETTING AUDIT**

**ORMISTA HOUSE
MORENO VALLEY, CALIFORNIA
PROVIDER NUMBER: LTC60694F
NATIONAL PROVIDER IDENTIFIER: 1649343385**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Teri Hung**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

Date: December 20, 2010

Carl E. Rowe
Ormista House
11751 Davis Street
Moreno Valley, CA 92557

PROVIDER: ORMISTA HOUSE
PROVIDER NO. LTC60694F
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 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	\$	343,809	\$ 171.90
Net Audit Adjustment		<u>(10,390)</u>	<u>(5.19)</u>
Audited Cost/Cost Per Day	\$	<u>333,419</u>	\$ <u>166.71</u>

This Audit Report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustment Schedules

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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
P.O. 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 Title 22, California Code of Regulations, Section 51016, et seq.

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If you have questions regarding this report you may call the Audits Section-Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section-Santa Ana
Financial Audits Branch

Certified

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

Provider:
ORMISTA HOUSE

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

Provider Number:
LTC60694F

Provider NPI:
1649343385

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,000	2,000
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,000</u>	<u>2,000</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>343,809</u>	\$ <u>333,419</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>171.90</u>	\$ <u>166.71</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:
ORMISTA HOUSE

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

Provider Number:
LTC60694F

NPI:
1649343385

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				0
055	Real Property Taxes		1,471		1,471
060	Personal Property Taxes				0
065	Mortgage Interest	1	15,001	(1,393)	13,608
070	Property Insurance		350		350
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 16,822	\$ (1,393)	\$ 15,429
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 9,304	\$	\$ 9,304
085	Utilities		6,108		6,108
090	Client Transportation		11,282		11,282
095	Dietary		10,165		10,165
100	Personal Care and Laundry	2	3,158	(154)	3,004
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 40,017	\$ (154)	\$ 39,863
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 56,839	\$ (1,547)	\$ 55,292
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,956	\$	\$ 12,956
120	QMRP Fringe Benefits		2,408		2,408
125	Lead Salaries		42,273		42,273
130	Lead Fringe Benefits		10,282		10,282
135	Aides Salaries		82,084		82,084
140	Aides Fringe Benefits		18,142		18,142
145	Other Salaries		16,369		16,369
150	Other Fringe Benefits		3,741		3,741
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 188,255	\$ 0	\$ 188,255

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ORMISTA HOUSE

Fiscal Period:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,242	\$	\$ 1,242
165	Speech Pathology Consultant		465		465
170	Physical Therapy Consultant		1,320		1,320
175	Occupational Therapy Consultant		1,100		1,100
180	Pharmacist Consultant		400		400
185	Nurse Consultant				0
190	Psychologist Consultant		2,088		2,088
195	Physician Consultant		305		305
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,920	\$ 0	\$ 6,920
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 19,950	\$	\$ 19,950
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		21,056		21,056
230	Other Administrative and General	3	50,789	(8,843)	41,946
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 91,795	\$ (8,843)	\$ 82,952
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 343,809	\$ (10,390)	\$ 333,419
	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)		\$ 343,809	\$ (10,390)	\$ 333,419

Provider Name		Fiscal Period		Provider Number		Adjustments				
ORMISTA HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60694F		3				
Adj. No.	Page or Exhibit	Report References		Sch.	Line	Col.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report							
1	4	65	4	2	65.00	3	Mortgage Interest To eliminate mortgage interest for insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$15,001	(\$1,393)	\$13,608
2	4	100	4	2	100.00	3	Personal Care and Laundry To eliminate prior year personal care expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1	\$3,158	(\$154)	\$3,004
3	4	230	4	2	230.00	3	Other General and Administrative To adjust reported home office costs to agree with the Developmental Client Care Industries Home Office Audit Report for fiscal period ended December 31, 2009. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304	\$50,789	(\$8,843)	\$41,946

ADJUSTMENTS TO REPORTED COSTS

