REPORT
ON THE
RATE SETTING AUDIT

YORKTOWN
UPLAND, CALIFORNIA
PROVIDER NUMBER: LTC80201F
NPI: 1164606380

FISCAL PERIOD ENDED
DECEMBER 31, 2009

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

Section Chief: Julio M. Cueto
Audit Supervisor: Bina Matani
Auditor: Jose Salazar

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

DAVID MAXWELL-JOLLY
Director

ARNOLD SCHWARZENEGGER
Governor

October 14, 2010

Nancy Segaar, Treasurer
Ability Pathways, Inc.
1042 North Mountain Avenue, Suite B, Box 447
Upland, CA 91786

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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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	436,319	$	202.56
Net Audit Adjustment		(404)		(0.19)
Audited Cost/Cost Per Day	$	435,915	$	202.37

This audit report includes the:

1. Audit Report Schedules 1 through 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—Rancho Cucamonga at (909) 481-3420.

Original Signed By

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

Certified

cc: Samantha A. Parola, CPA
Wiebe & Associates
377 North Central Avenue
Upland, CA 91786

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider: YORKTOWN

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

Provider Number: LTC80201F

Provider NPI: 1164606380

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,154	2,154
2. Other Client Days (Adj)	0	0
3. Total Client Days	2,154	2,154
4. Total Client Care Expenses (From Sch. 2)	$ 436,319	$ 435,915
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 202.56	$ 202.37
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 4)	$ NA	$ (325)
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$ 0	$ 0
2. Credit Balances (Adj)	$ 0	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider: YORKTOWN

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

Provider Number: LTC80201F

NPI: 1164606380

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		$ 4,704	$	$ 4,704
050	Leases and Rentals		30,000		30,000
055	Real Property Taxes		2,308		2,308
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		1,926		1,926
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 38,938	$ 0	$ 38,938
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	$ 10,786	$ (3,894)	$ 6,892
085	Utilities		9,887		9,887
090	Client Transportation				0
095	Dietary		13,306		13,306
100	Personal Care and Laundry	1,2	2,333	2,174	4,507
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 36,312	$ (1,720)	$ 34,592
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 75,250	$ (1,720)	$ 73,530
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 14,327	$	$ 14,327
120	QMRP Fringe Benefits		2,324		2,324
125	Lead Salaries		28,952		28,952
130	Lead Fringe Benefits		4,696		4,696
135	Aides Salaries		106,865		106,865
140	Aides Fringe Benefits		17,332		17,332
145	Other Salaries		45,091		45,091
150	Other Fringe Benefits		7,313		7,313
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 226,900	$ 0	$ 226,900

SUMMARY OF AUDITED FACILITY EXPENSES

Provider: YORKTOWN

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

Provider Number: LTC80201F

NPI: 1164606380

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,000	$	$ 1,000
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,440		1,440
175	Occupational Therapy Consultant		1,069		1,069
180	Pharmacist Consultant		200		200
185	Nurse Consultant		13,132		13,132
190	Psychologist Consultant		3,240		3,240
195	Physician Consultant		3,480		3,480
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 23,561	$ 0	$ 23,561
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$	$	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		25,084		25,084
230	Other Administrative and General	2,3	85,524	1,316	86,840
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 110,608	$ 1,316	$ 111,924
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 436,319	$ (404)	$ 435,915
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
240	Non-Program Services		$ 0	$	$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		$ 436,319	$ (404)	$ 435,915

Provider Name	Fiscal Period	Provider Number	Adjustments
YORKTOWN	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	LTC80201F	4

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
						RECLASSIFICATIONS OF REPORTED COSTS				
1	4	80	4	2	80.00	Home Operations and Maintenance		$10,786	($3,894)	$6,892
	4	100	4	2	100.00	Personal Care and Laundry		2,333	3,894	6,227 *
						To reclassify medical care materials and supplies to the appropriate cost center.				
						42 CFR 413.20 and 413.24				
						CMS Pub. 151, Sections 2300, 2302.4, 2302.8, and 2304				
2	4	100	4	2	100.00	Personal Care and Laundry	*	$6,227	($1,720)	$4,507
	4.1	230	4	2	230.00	Other General and Administrative		85,524	1,720	87,244 *
						To reclassify administrative supplies to the appropriate cost center.				
						42 CFR 413.20 and 413.24				
						CMS Pub. 151, Sections 2300, 2302.4, 2302.8, and 2304				

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustments
YORKTOWN	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	LTC80201F	4

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENT TO REPORTED COSTS			
3	4.1	230	4	2	230.00	Other General and Administrative *	$87,244	($404)	$86,840
						To eliminate finance charges associated with prior year Mountain View Services expenses.			
						42 CFR 413.5, 413.20, 413.24, and 460.204			
						CMS Pub. 15-1, Sections 2300, 2302.1, and 2304			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustments
YORKTOWN	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	LTC80201F	4

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
						ADJUSTMENT TO OTHER MATTERS			
4	Not Reported			1	1.00	Overpayments To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	$0	$325	$325