

**REPORT
ON THE
RATE SETTING AUDIT
WEST L.A. SUPPORT SERVICES #1
LOS ANGELES, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1093934101
FISCAL PERIOD ENDED
SEPTEMBER 30, 2011**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Allen Dervi
Auditor: Anita Keshishyan**



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



EDMUND G. BROWN JR.
GOVERNOR

June 17, 2013

Belinda Lee, Administrator
West L.A. Support Services #1
1443 Genesee Street
Los Angeles, CA 90019

WEST L.A. SUPPORT SERVICES #1
NATIONAL PROVIDER IDENTIFIER (NPI) 1093934101
FISCAL PERIOD ENDED SEPTEMBER 30, 2011

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	\$	322,446	\$ 147.24
Net Audit Adjustment		<u>(10,217)</u>	<u>(4.67)</u>
Audited Cost/Cost Per Day	\$	<u>312,229</u>	\$ <u>142.57</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 Fee-For-Service Rates Development Division.

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.

If you have questions regarding this report, you may call the Audits Section—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
WEST L.A. SUPPORT SERVICES #1

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1093934101

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>322,446</u>	\$ <u>312,229</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>147.24</u>	\$ <u>142.57</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:
WEST L.A. SUPPORT SERVICES #1

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1093934101

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	5	\$ 6,158	\$ (6,158)	\$ 0
050	Leases and Rentals				0
055	Real Property Taxes	1	5,114	1,724	6,838
060	Personal Property Taxes				0
065	Mortgage Interest	2	18,779	(6,542)	12,237
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 30,051	\$ (10,976)	\$ 19,075
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	5	\$ 9,940	\$ 3,268	\$ 13,208
085	Utilities		6,019		6,019
090	Client Transportation (excluding Adult Day Services)		9,162		9,162
095	Dietary		11,879		11,879
100	Personal Care and Laundry	11	7,696	(963)	6,733
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 44,696	\$ 2,305	\$ 47,001
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 74,747	\$ (8,671)	\$ 66,076
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 24,000	\$	\$ 24,000
120	QMRP Fringe Benefits		1,667		1,667
125	Lead Salaries	4	21,796	49	21,845
130	Lead Fringe Benefits		5,297		5,297
135	Aides Salaries	4	87,617	(1,122)	86,495
140	Aides Fringe Benefits		21,295		21,295
145	Other Salaries		108		108
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 161,780	\$ (1,073)	\$ 160,707

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
WEST L.A. SUPPORT SERVICES #1

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1093934101

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 729	\$	\$ 729
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant	3	403	(228)	175
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		11,076		11,076
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		550		550
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 12,758	\$ (228)	\$ 12,530
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 26,713	\$	\$ 26,713
225	Administrative Fringe Benefits		1,855		1,855
226	Quality Assurance Fees (excluding Adult Day Services)		15,403		15,403
230	Other General and Administrative*** (Excluding Adult Day Services)	5-10	29,190	(245)	28,945
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 73,161	\$ (245)	\$ 72,916
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 322,446	\$ (10,217)	\$ 312,229
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		178,445		178,445
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 500,891	\$ (10,217)	\$ 490,674

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** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
WEST L.A. SUPPORT SERVICES #1							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1093934101		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
ADJUSTMENTS TO REPORTED COSTS										
1	4	055	4	2	055	2	Real Property Taxes To adjust the reported property tax expense to agree with the provider paid invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$5,114	\$1,724	\$6,838
2	4	065	4	2	065	2	Mortgage Interest To adjust reported interest expense to agree with the provider's interest statements. 42 CFR 413.20, 413.24 and 413.153 CMS Pub. 15-1, Sections 202.2, 2300 and 2304	\$18,779	(\$6,542)	\$12,237
3	4.1	170	4	2	170	2	Physical Therapy Consultant To adjust the reported physical therapy consultant expense to agree with the provider's paid invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$403	(\$228)	\$175
4	4.1	125	4	2	125	2	Lead Salaries	\$21,796	\$49	\$21,845
	4.1	135	4	2	135	2	Aides Salaries To adjust salary expense to the accrual basis. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	87,617	(1,122)	86,495
5	4	045	4	2	045	2	Depreciation and Amortization	\$6,158	(\$6,158)	\$0
	4	080	4	2	080	2	Home Operations and Maintenance	9,940	3,268	13,208
	4.1	230	4	2	230	2	Other General and Administrative To adjust home office costs to agree with the filed West L.A. Support Services, Inc. Home Office Cost Report for fiscal period ended September 30, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	29,190	6,672	35,862 *

Provider Name							Fiscal Period	Provider NPI		Adjustments	
WEST L.A. SUPPORT SERVICES #1							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1093934101		11	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS											
	4.1	230	4	2	230	2	Other General and Administrative	*	\$35,862		
6							To eliminate contribution/donation costs not related to patient care. 42 CFR 413.5(c)(7) and 413.9 CMS Pub. 15-1, Sections 608, 610 and 2102.3			(\$200)	
7							To adjust fingerprinting cost to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306			(140)	
8							To eliminate advertising expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			(79)	
9							To eliminate insurance expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			(215)	
10							To eliminate insurance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			<u>(6,283)</u> <u>(\$6,917)</u>	\$28,945
11	4	100	4	2	100	2	Personal Care and Laundry To eliminate personal care and laundry supplies expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$7,696	(\$963)	\$6,733

*Balance carried forward from prior/to subsequent adjustments