

**REPORT
ON THE
RATE SETTING AUDIT**

**BRIAR
NORWALK, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1225166515**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**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: Mineo Gonzalez**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: June 5, 2013

Cheryl Loflin-Wertz, President
Harbor Health Care, Inc
16917 Clark Avenue
Bellflower, CA 90706

BRIAR
NATIONAL PROVIDER IDENTIFIER (NPI) 1225166515
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	311,611	\$ 142.29
Net Audit Adjustment		(6,210)	(2.84)
Audited Cost/Cost Per Day	\$	<u>305,401</u>	\$ <u>139.45</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Cheryl Loflin-Wertz
Page 2

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—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:

BRIAR

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1225166515

**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>311,611</u>	\$ <u>305,401</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>142.29</u>	\$ <u>139.45</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:
BRIAR

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1225166515

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		\$ 9,952	\$	\$ 9,952
050	Leases and Rentals		0		0
055	Real Property Taxes		3,992		3,992
060	Personal Property Taxes		0		0
065	Mortgage Interest		17,140		17,140
070	Property Insurance	1	2,361	(1,274)	1,087
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 33,445	\$ (1,274)	\$ 32,171
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,340	\$	\$ 6,340
085	Utilities		7,304		7,304
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		10,727		10,727
100	Personal Care and Laundry		1,004		1,004
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,374	\$ 0	\$ 25,375
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 58,819	\$ (1,274)	\$ 57,546
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,844	\$	\$ 12,844
120	QMRP Fringe Benefits		2,360		2,360
125	Lead Salaries	2	25,477	(1,039)	24,438
130	Lead Fringe Benefits		4,466		4,466
135	Aides Salaries	3	97,534	(3,452)	94,082
140	Aides Fringe Benefits	4	17,097	(445)	16,652
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 159,777	\$ (4,936)	\$ 154,842

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BRIAR

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1225166515

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,200	\$	\$ 1,200
165	Speech Pathology Consultant		110		110
170	Physical Therapy Consultant		860		860
175	Occupational Therapy Consultant		950		950
180	Pharmacist Consultant		360		360
185	Nurse Consultant		11,561		11,561
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		230		230
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 15,271	\$ 0	\$ 15,271
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		19,331		19,331
230	Other General and Administrative*** (Excluding Adult Day Services)		58,413		58,413
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 77,744	\$ 0	\$ 77,744
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 311,611	\$ (6,210)	\$ 305,401
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 311,611	\$ (6,210)	\$ 305,401

Page 2 of 2

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI	Adjustments		
BRIAR							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1225166515	4		
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					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
1	4	070	4	4	070	3	Property Insurance To adjust property insurance expense to agree with provider record: 42 CFR 413.24 / CMS Pub. 15-1, Section 2161A	\$2,361	(\$1,274)	\$1,087	
2	4.1	125	4	2	125	3	Lead Salaries To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$25,477	(\$1,039)	\$24,438	
3	4.1	135	4	2	135	3	Aides Salaries To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$97,534	(\$3,452)	\$94,082	
4	4.1	140	4	2	140	3	Aides Fringe Benefits To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$17,097	(\$445)	\$16,652	