

**REPORT
ON THE
RATE SETTING AUDIT**

**BERRYMAN HOUSE
CULVER CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1346458569**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Ngocle Truong**



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



EDMUND G. BROWN JR.
GOVERNOR

June 3, 2013

Faye Williams, Administrator
Berryman House
3846 Chanson Drive
Los Angeles, CA 90043

BERRYMAN HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI): 1346458569
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	\$	322,464	\$ 147.24
Net Audit Adjustment		(16,079)	(7.34)
Audited Cost/Cost Per Day	\$	<u>306,385</u>	\$ <u>139.90</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.

Faye Williams
Page 3

If you have questions regarding this report, you may call the Audits Section—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

cc: Ben Punjabi, Consultant
Aliso Tax and Accounting
23591 El Toro Road, Suite 201
Lake Forest, CA 92630

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

Provider:
BERRYMAN HOUSE

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

Provider NPI:
1346458569

**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
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>322,464</u>	\$ <u>306,385</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>147.24</u>	\$ <u>139.90</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>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BERRYMAN HOUSE

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

Provider NPI:
1346458569

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		\$	\$	\$ 0
050	Leases and Rentals		20,625		20,625
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 20,625	\$ 0	\$ 20,625
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 1,870	\$	\$ 1,870
085	Utilities	11	6,029	(302)	5,727
090	Client Transportation (excluding Adult Day Services)	9	8,755	(6,781)	1,974
095	Dietary		9,092		9,092
100	Personal Care and Laundry		2,985		2,985
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 28,731	\$ (7,083)	\$ 21,648
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 49,356	\$ (7,083)	\$ 42,273
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 28,050	\$	\$ 28,050
120	QMRP Fringe Benefits		2,565		2,565
125	Lead Salaries		22,810		22,810
130	Lead Fringe Benefits		7,033		7,033
135	Aides Salaries		69,778		69,778
140	Aides Fringe Benefits		21,514		21,514
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 151,750	\$ 0	\$ 151,750

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BERRYMAN HOUSE

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

Provider NPI:
1346458569

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 730	\$	\$ 730
165	Speech Pathology Consultant		1,948		1,948
170	Physical Therapy Consultant		208		208
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		525		525
185	Nurse Consultant	8	10,477	(2,392)	8,085
190	Psychologist Consultant		1,800		1,800
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant	10	9,695	(1,722)	7,973
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 25,383	\$ (4,114)	\$ 21,269
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 38,676	\$	\$ 38,676
225	Administrative Fringe Benefits		11,328		11,328
226	Quality Assurance Fees (excluding Adult Day Services)		21,636		21,636
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 2, 3, 4, 5, 6, 7	24,335	(4,882)	19,453
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 95,975	\$ (4,882)	\$ 91,093
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 322,464	\$ (16,079)	\$ 306,385
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 322,464	\$ (16,079)	\$ 306,385

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period		Provider NPI		Adjustments
BERRYMAN HOUSE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1346458569		11
Report References											
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
ADJUSTMENTS TO REPORTED COSTS											
1	4.1	230	4	2	230	3	Other General and Administrative 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		\$24,335	(\$577)	\$23,758 *
2	4.1	230	4	2	230	3	Other General and Administrative To adjust DHS license expense to agree with the provider's invoice 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		* \$23,758	\$346	\$24,104 *
3	4.1	230	4	2	230	3	Other General and Administrative To adjust director and officer liability insurance expenses to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		* \$24,104	\$109	\$24,213 *
4	4.1	230	4	2	230	3	Other General and Administrative To adjust liability insurance expense to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		* \$24,213	(\$409)	\$23,804 *
5	4.1	230	4	2	230	3	Other General and Administrative To eliminate office supply expenses 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)		* \$23,804	(\$2,830)	\$20,974 *
6	4.1	230	4	2	230	3	Other General and Administrative To adjust professional fees expenses to agree with the provider's invoices 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		* \$20,974	(\$721)	\$20,253 *

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments	
BERRYMAN HOUSE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1346458569		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											
7	4.1	230	4	2	230	3	Other General and Administrative To adjust accounting and auditing expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$20,253	(\$800)	\$19,453
8	4.1	185	4	2	185	3	Nurse Consultant To adjust nurse consultant expense to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$10,477	(\$2,392)	\$8,085
9	4	090	4	2	090	3	Client Transportation To eliminate client transportation expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$8,755	(\$6,781)	\$1,974
10	4.1	210	4	2	210	3	Other Consultant To eliminate QMRP consultant 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)		\$9,695	(\$1,722)	\$7,973
11	4	085	4	2	085	3	Utilities To adjust other utilities expenses 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		\$6,029	(\$302)	\$5,727

*Balance carried forward from prior/to subsequent adjustments