

**REPORT
ON THE
RATE SETTING AUDIT**

**BEACH SIDE HOME
LAWNDALE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1740447242**

**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: Cyrus C. Lam
Auditor: Parith R. Uch**



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



EDMUND G. BROWN JR.
GOVERNOR

June 28, 2013

Dave S. Matharu, Administrator
Beach Side Home
4743 West 166th Street
LawnDale, CA 90260

BEACH SIDE HOME
NATIONAL PROVIDER IDENTIFIER (NPI): 1740447242
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	\$	374,113	\$ 170.83
Net Audit Adjustment		(80)	(.04)
Audited Cost/Cost Per Day	\$	<u>374,033</u>	\$ <u>170.79</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.

Dave S. Matharu
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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

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

Provider:
BEACH SIDE HOME

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

Provider NPI:
1740447242

**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>374,113</u>	\$ <u>374,033</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>170.83</u>	\$ <u>170.79</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
--	--------------	-------------

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:
BEACH SIDE HOME

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

Provider NPI:
1740447242

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		\$ 7,212	\$	\$ 7,212
050	Leases and Rentals		0		0
055	Real Property Taxes		4,223		4,223
060	Personal Property Taxes				0
065	Mortgage Interest	1	11,883	153	12,036
070	Property Insurance		362		362
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 23,680	\$ 153	\$ 23,833
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 9,433	\$	\$ 9,433
085	Utilities	2	6,284	(187)	6,097
090	Client Transportation (excluding Adult Day Services)	3	2,853	(46)	2,807
095	Dietary		16,462		16,462
100	Personal Care and Laundry		7,244		7,244
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,276	\$ (233)	\$ 42,043
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 65,956	\$ (80)	\$ 65,876
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		32,368		32,368
130	Lead Fringe Benefits		4,360		4,360
135	Aides Salaries		114,325		114,325
140	Aides Fringe Benefits		16,766		16,766
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 167,819	\$ 0	\$ 167,819

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BEACH SIDE HOME

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

Provider NPI:
1740447242

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 380	\$	\$ 380
165	Speech Pathology Consultant		1,715		1,715
170	Physical Therapy Consultant		2,200		2,200
175	Occupational Therapy Consultant		518		518
180	Pharmacist Consultant		108		108
185	Nurse Consultant		14,400		14,400
190	Psychologist Consultant		1,788		1,788
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		17,460		17,460
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 38,569	\$ 0	\$ 38,569
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 14,520	\$	\$ 14,520
225	Administrative Fringe Benefits		1,391		1,391
226	Quality Assurance Fees (excluding Adult Day Services)		18,018		18,018
230	Other General and Administrative*** (Excluding Adult Day Services)		67,840		67,840
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 101,769	\$ 0	\$ 101,769
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 374,113	\$ (80)	\$ 374,033
	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)		\$ 374,113	\$ (80)	\$ 374,033

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period		Provider NPI		Adjustments
BEACH SIDE HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1740447242		3
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	065	4	2	065	3	Mortgage Interest To adjust mortgage interest expenses to agree with the provider's records: 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$11,883	\$153	\$12,036	
2	4	085	4	2	085	3	Utilities To adjust electricity expenses to agree with the provider's records: 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$6,284	(\$187)	\$6,097	
3	4	090	4	2	090	3	Client Transportator To eliminate parking citation fee not related to patient car 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$2,853	(\$46)	\$2,807	