

**REPORT
ON THE
RATE SETTING AUDIT
LAVERNA GUEST HOME
LOS ANGELES, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1073721288
FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Henry Kwan
Auditor: Peter Scollan**



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



EDMUND G. BROWN JR.
GOVERNOR

December 21, 2012

Evelyn Moreno, Administrator
Laverna Guest Home
2227 Laverna Avenue
Los Angeles, California 90041

LAVERNA GUEST HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1073721288
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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, patient days, and use of share of cost 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	\$	393,115	\$ 185.87
Net Audit Adjustment		<u>(16,921)</u>	<u>(8.00)</u>
Audited Cost/Cost Per Day	\$	<u>376,194</u>	\$ <u>177.87</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.

Evelyn Moreno
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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:
LAVERNA GUEST HOME

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

Provider NPI:
1073721288

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,115	2,115
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,115</u>	<u>2,115</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>393,115</u>	\$ <u>376,194</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>185.87</u>	\$ <u>177.87</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</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:
LAVERNA GUEST HOME

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

Provider NPI:
1073721288

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		\$ 5,545	\$	\$ 5,545
050	Leases and Rentals		0		0
055	Real Property Taxes		2,814		2,814
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 8,359	\$ 0	\$ 8,359
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 7,776	\$ (1,590)	\$ 6,186
085	Utilities		5,927		5,927
090	Client Transportation (excluding Adult Day Services)	4	13,775	(13,706)	69
095	Dietary		11,072		11,072
100	Personal Care and Laundry		4,450		4,450
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 43,000	\$ (15,296)	\$ 27,704
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 51,359	\$ (15,296)	\$ 36,063
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 43,700	\$	\$ 43,700
120	QMRP Fringe Benefits		3,411		3,411
125	Lead Salaries		33,424		33,424
130	Lead Fringe Benefits		5,757		5,757
135	Aides Salaries		73,179		73,179
140	Aides Fringe Benefits		12,604		12,604
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 172,075	\$ 0	\$ 172,075

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LAVERNA GUEST HOME

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JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 400	\$	\$ 400
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		305		305
175	Occupational Therapy Consultant		300		300
180	Pharmacist Consultant		400		400
185	Nurse Consultant		43,411		43,411
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		35		35
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 44,851	\$ 0	\$ 44,851
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 66,100	\$	\$ 66,100
225	Administrative Fringe Benefits		5,561		5,561
226	Quality Assurance Fees (excluding Adult Day Services)		23,911		23,911
230	Other General and Administrative*** (Excluding Adult Day Services)	2, 3	29,258	(1,625)	27,633
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 124,830	\$ (1,625)	\$ 123,205
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 393,115	\$ (16,921)	\$ 376,194
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		239,815		239,815
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 632,930	\$ (16,921)	\$ 616,009

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

*** List allocated administrative costs on Line 230

