

**REPORT
ON THE
RATE SETTING AUDIT**

**BIXBY KNOLL PLACE III
GARDENA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1245405026**

**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: Deborah Lee
Auditor: Devin Miyake**



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



EDMUND G. BROWN JR.
GOVERNOR

June 21, 2013

Smyrna Dojcinovic, Administrator
Bixby Knoll Place III
16532 South Hoover Street
Gardena, CA 90247

BIXBY KNOLL PLACE III
NATIONAL PROVIDER IDENTIFIER (NPI): 1245405026
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	\$	406,861	\$ 185.78
Net Audit Adjustment		(85,847)	(39.20)
Audited Cost/Cost Per Day	\$	<u>321,014</u>	\$ <u>146.58</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Allocation of Home Office Cost

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.

Smyrna Dojcinovic
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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: Jake Sheikh
Guardian Tax
13778 Hawthorne Boulevard
Hawthorne, CA 90250

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

Provider:
BIXBY KNOLL PLACE III

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

Provider NPI:
1245405026

**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>406,861</u>	\$ <u>321,014</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>185.78</u>	\$ <u>146.58</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:
BIXBY KNOLL PLACE III

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

Provider NPI:
1245405026

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		11,988		11,988
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)		\$ 11,988	\$ 0	\$ 11,988
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,471	\$	\$ 5,471
085	Utilities		3,990		3,990
090	Client Transportation (excluding Adult Day Services)		313		313
095	Dietary		11,787		11,787
100	Personal Care and Laundry		359		359
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 21,920	\$ 0	\$ 21,920
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 33,908	\$ 0	\$ 33,908
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	3	\$ 17,250	\$ (500)	\$ 16,750
120	QMRP Fringe Benefits				0
125	Lead Salaries		26,632		26,632
130	Lead Fringe Benefits		4,274		4,274
135	Aides Salaries	4	144,801	(63,442)	81,359
140	Aides Fringe Benefits	5,10	39,899	(7,027)	32,872
145	Other Salaries	6,7	55,760	(5,985)	49,775
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 288,616	\$ (76,954)	\$ 211,662

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BIXBY KNOLL PLACE III

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

Provider NPI:
1245405026

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 575	\$	\$ 575
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		945		945
175	Occupational Therapy Consultant		385		385
180	Pharmacist Consultant		780		780
185	Nurse Consultant	2	12,500	(500)	12,000
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		2,365		2,365
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 17,550	\$ (500)	\$ 17,050
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 15,000	\$	\$ 15,000
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		18,543		18,543
230	Other General and Administrative*** (Excluding Adult Day Services)	1,8,9,10	33,244	(8,393)	24,851
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 66,787	\$ (8,393)	\$ 58,394
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 406,861	\$ (85,847)	\$ 321,014
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		44,801		44,801
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 451,662	\$ (85,847)	\$ 365,815

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
BIXBY KNOLL PLACE III							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245405026		10
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	4.1	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	\$33,244	(\$606)	\$32,638 *
2	4.1	185	4	2	185	3	Nurse Consultant To eliminate nurse consultant expenses due to services being performed at another facility 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$12,500	(\$500)	\$12,000
3	4.1	115	4	2	115	3	QMRP Salaries To eliminate QMRP expenses due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$17,250	(\$500)	\$16,750
4	4.1	135	4	2	135	3	Aides Salaries To eliminate aides salaries due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$144,801	(\$63,442)	\$81,359
5	4.1	140	4	2	140	3	Aides Fringe Benefits To eliminate workers compensation and liability insurance expenses due to the provider already including those expenses in home office adjustments. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$39,899	(\$12,562)	\$27,337 *

*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments
BIXBY KNOLL PLACE III							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245405026		10
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										
6	4.1	145	4	2	145	3	Other Salaries To adjust other salaries to agree with expenses applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$55,760	(\$828)	\$54,932 *
7	4.1	145	4	2	145	3	Other Salaries To eliminate other salaries due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$54,932	(\$5,157)	\$49,775
8	4.1	230	4	2	230	3	Other General and Administrative To eliminate other general and administrative expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$32,638	(\$6,500)	\$26,138 *
9	4.1	230	4	2	230	3	Other General and Administrative To eliminate workers compensation and liability insurance expenses due to the provider already including those expenses in home office adjustments. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$26,138	(\$5,067)	\$21,071 *
10	4.1	140	4	2	140	3	Aides Fringe Benefits	* \$27,337	\$5,535	\$32,872
	4.1	230	4	2	230	3	Other General and Administrative To adjust home office costs to agree with the filed Loop Care, Inc. Home Office Cost Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	* 21,071	3,780	24,851

*Balance carried forward from prior/to subsequent adjustments