

**APPEAL RECOMPUTATION  
OF THE  
AUDIT REPORT**

**KELLY AND SCOTT'S CARE HOME 1  
DELANO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1184759227**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Michael Harrold  
Audit Supervisor: Linda King  
Auditor: Barbara Still**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 10, 2014

Kelly Baumgardner, Administrator  
Kelly and Scott's Care Home  
2215 5<sup>th</sup> Drive  
Delano, CA 93215

In the Matter of:

KELLY AND SCOTT'S CARE HOME 1  
NATIONAL PROVIDER IDENTIFIER (NPI): 1184759227  
FISCAL PERIOD ENDED: DECEMBER 31, 2011  
CASE NUMBER: NF14-1211-141G-AH

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated April 10, 2014, the following revisions are made to the Medi-Cal audit report dated July 5, 2013.

SUMMARY OF REVISIONS

		<u>COST</u>	<u>COST PER DAY</u>
Audited Cost and Cost Per Day	\$	350,750	\$ 160.45
Revision		<u>56,792</u>	<u>25.98</u>
Revised Cost and Cost Per Day	\$	<u>407,542</u>	\$ <u>186.43</u>

Enclosed are the revised schedules detailing the results of the recomputation.

Original Signed by

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

cc: Mr. Paul Nelson  
Nelson & Associates  
1581 18<sup>th</sup> Avenue  
Kingsburg, CA 93631

Kelly Baumgardner  
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cc: Sandy Yien, Chief  
Medi-Cal Benefits, Waiver Analysis and Rates Division  
Department of Health Care Services  
M.S. 4600  
P.O. Box 997417  
Sacramento, CA 95899-7417

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

**Provider:**  
KELLY AND SCOTT'S CARE HOME 1

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

**Provider NPI:**  
1184759227

<b>SUMMARY OF REVISED FACILITY CENSUS AND REVISED CLIENT COST PER DAY</b>	<b>AS AUDITED</b>	<b>AS REVISED</b>
1. Medi-Cal Client Days (Rev )	2,186	2,186
2. Medi-Cal Managed Care Days (Rev )	0	0
3. Other Client Days (Rev )	0	0
4. Total Client Days	<u>2,186</u>	<u>2,186</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>350,750</u>	\$ <u>407,542</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>160.45</u>	\$ <u>186.43</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Rev )	\$ <u>NA</u>	\$ <u>0</u>
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**OVERPAYMENTS**

1. Overpayments (Rev )	\$ <u>0</u>	\$ <u>0</u>
2. Credit Balances (Rev )	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF REVISED FACILITY EXPENSES

Provider:  
KELLY AND SCOTT'S CARE HOME 1

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

Provider NPI:  
1184759227

Line No.	DESCRIPTION	REV NO.	AS AUDITED Col. 1	REVISED ADJUSTMENT Col. 2	AS REVISED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	1	\$ 4,395	\$ 141	\$ 4,536
050	Leases and Rentals		0		0
055	Real Property Taxes	1	1,644	53	1,697
060	Personal Property Taxes		0		0
065	Mortgage Interest	1	2,590	84	2,674
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 8,629	\$ 278	\$ 8,907
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	1	\$ 8,393	\$ (262)	\$ 8,131
085	Utilities	1	4,918	159	5,077
090	Client Transportation (excluding Adult Day Services)	1	1,148	(973)	175
095	Dietary	1	17,197	777	17,974
100	Personal Care and Laundry		1,670		1,670
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 33,326	\$ (299)	\$ 33,027
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 41,955	\$ (21)	\$ 41,934
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries	1	\$ 13,285	\$ 4,715	\$ 18,000
120	QMRP Fringe Benefits		0		0
125	Lead Salaries	1	51,661	2,371	54,032
130	Lead Fringe Benefits	1, 2	5,346	3,279	8,625
135	Aides Salaries	1	120,542	24,778	145,320
140	Aides Fringe Benefits	1, 2	12,474	10,731	23,205
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 203,308	\$ 45,874	\$ 249,182

## SUMMARY OF REVISED FACILITY EXPENSES

Provider:  
KELLY AND SCOTT'S CARE HOME 1

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

Provider NPI:  
1184759227

Line No.	DESCRIPTION	REV NO.	AS AUDITED Col. 1	REVISED ADJUSTMENT Col. 2	AS REVISED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,813	\$	\$ 1,813
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant	1	12,732	(1,242)	11,490
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		1,070		1,070
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 15,615	\$ (1,242)	\$ 14,373
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **	1	\$ 13,285	\$ (1,045)	\$ 12,240
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		29,344		29,344
230	Other General and Administrative*** (Excluding Adult Day Services)	1	47,244	13,226	60,470
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 89,872	\$ 12,181	\$ 102,053
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 350,750	\$ 56,792	\$ 407,542
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation	1	115,878	(47,108)	68,770
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 466,628	\$ 9,684	\$ 476,312

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

\*\*\* List allocated administrative costs on Line 230

Provider Name							Fiscal Period	NPI	Revisions	
KELLY AND SCOTT'S CARE HOME 1							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1184759227	2	
Report References							Explanation of Appeal Revisions	As Audited	Increase (Decrease)	As Revised
Rev. No.	Cost Report			Audit Report						
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<b>REVISIONS TO AUDITED COSTS</b>										
1	4.1	241	4	2	241	3	Adult Day Services and Related Transportation	\$115,878	(\$47,108)	\$68,770
	4	045	4	2	045	3	Depreciation and Amortization	4,395	141	4,536
	4	055	4	2	055	3	Real Property Taxes	1,644	53	1,697
	4	065	4	2	065	3	Mortgage Interest	2,590	84	2,674
	4	080	4	2	080	3	Home Operations and Maintenance	8,393	(262)	8,131
	4	085	4	2	085	3	Utilities	4,918	159	5,077
	4	090	4	2	090	3	Client Transportation	1,148	(973)	175
	4	095	4	2	095	3	Dietary	17,197	777	17,974
	4.1	115	4	2	115	3	QMRP Salaries	13,285	4,715	18,000
	4.1	125	4	2	125	3	Lead Salaries	51,661	2,371	54,032
	4.1	130	4	2	130	3	Lead Fringe Benefits	5,346	374	5,720 *
	4.1	135	4	2	135	3	Aides Salaries	120,542	24,778	145,320
	4.1	140	4	2	140	3	Aides Fringe Benefits	12,474	3,952	16,426 *
	4.1	185	4	2	185	3	Nurse Consultant	12,732	(1,242)	11,490
	4.1	220	4	2	220	3	Administrative Salaries	13,285	(1,045)	12,240
	4.1	230	4	2	230	3	Other General and Administrative	47,244	13,226	60,470
							Appeal Finding - Issue #1			
2	4.1	130	4	2	130	3	Lead Fringe Benefits	* \$5,720	\$2,905	\$8,625
	4.1	140	4	2	140	3	Aides Fringe Benefits	* 16,426	6,779	23,205
							Appeal Finding - Issue #6			

\*Balance carried forward from prior/to subsequent adjustments