

**APPEAL RECOMPUTATION
OF THE
AUDIT REPORT**

**KELLY & SCOTT'S CARE HOME 3
PORTERVILLE, CALIFORNIA
NPI NO.: 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: Kathy Atkins
Auditor: Brian Emo**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 21, 2014

Kelly Baumgardner, Administrator
Kelly and Scott's Care Homes, Inc.
332 North Indiana
Porterville, CA 93257

In the Matter of:

KELLY & SCOTT'S CARE HOME 3
NATIONAL PROVIDER IDENTIFIER (NPI) 1184759227
FISCAL PERIOD ENDED DECEMBER 31, 2011
CASE NUMBER NF-14-1211-140G-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	\$	442,649	\$ 213.84
Revision		<u>9,621</u>	<u>4.65</u>
Revised Cost and Cost Per Day	\$	<u>452,270</u>	\$ <u>218.49</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

Kelly Baumgardner
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cc: Paul Nelson, CPA
Nelson & Associates, Inc.
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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 & SCOTT'S CARE HOME 3

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

Provider NPI:
1184759227

SUMMARY OF REVISED FACILITY CENSUS AND REVISED CLIENT COST PER DAY	AS AUDITED	AS REVISED
1. Medi-Cal Client Days (Rev)	2,039	2,039
2. Medi-Cal Managed Care Days (Rev)		0
3. Other Client Days (Rev)	31	31
4. Total Client Days	<u>2,070</u>	<u>2,070</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>442,649</u>	\$ <u>452,270</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>213.84</u>	\$ <u>218.49</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Rev)	\$ <u>NA</u>	\$ <u>0</u>
OVERPAYMENTS		
1. Overpayments (Rev)	\$ <u>(1,483)</u>	\$ <u>(1,483)</u>
2. Credit Balances (Rev)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>(1,483)</u>	\$ <u>(1,483)</u>

SUMMARY OF REVISED FACILITY EXPENSES

Provider:
KELLY & SCOTT'S CARE HOME 3

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

Provider NPI:
1184759227

Line No.	DESCRIPTION	REV NO.	AS AUDITED Col. 1	AUDIT REVISION Col. 2	AS REVISED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 4,195	\$	\$ 4,195
050	Leases and Rentals				0
055	Real Property Taxes		2,298		2,298
060	Personal Property Taxes		204		204
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 6,697	\$ 0	\$ 6,697
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 13,008	\$	\$ 13,008
085	Utilities		8,459		8,459
090	Client Transportation (excluding Adult Day Services)		1,300		1,300
095	Dietary		15,175		15,175
100	Personal Care and Laundry		1,300		1,300
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 39,242	\$ 0	\$ 39,242
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 45,939	\$ 0	\$ 45,939
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,000	\$	\$ 18,000
120	QMRP Fringe Benefits				0
125	Lead Salaries		69,536		69,536
130	Lead Fringe Benefits	1	8,220	2,886	11,106
135	Aides Salaries		162,250		162,250
140	Aides Fringe Benefits	1	19,179	6,735	25,914
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 277,185	\$ 9,621	\$ 286,806

SUMMARY OF REVISED FACILITY EXPENSES

Provider:
KELLY & SCOTT'S CARE HOME 3

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

Provider NPI:
1184759227

Line No.	DESCRIPTION	REV NO.	AS AUDITED Col. 1	AUDIT REVISION Col. 2	AS REVISED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,949	\$	\$ 1,949
165	Speech Pathology Consultant		365		365
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		98		98
185	Nurse Consultant		16,750		16,750
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		1,200		1,200
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 20,362	\$ 0	\$ 20,362
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 18,000	\$	\$ 18,000
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		21,342		21,342
230	Other General and Administrative*** (Excluding Adult Day Services)		59,821		59,821
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 99,163	\$ 0	\$ 99,163
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 442,649	\$ 9,621	\$ 452,270
	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)		\$ 442,649	\$ 9,621	\$ 452,270

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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 & SCOTT'S CARE HOME 3							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1184759227	1		
Report References							Explanation of Revisions	As Audited	Increase (Decrease)	As Revised	
Cost Report			Audit Report								
Rev. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
1	4.1	130	4	2	130	3	Lead Fringe Benefits	\$8,220	\$2,886	\$11,106	
	4.1	140	4	2	140	3	Aides Fringe Benefits	19,179	6,735	25,914	
Appeal Finding - Issue 6											