

**REPORT
ON THE
RATE SETTING AUDIT
ARCHWOOD HOUSE
WEST HILLS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1336292069
FISCAL PERIOD ENDED
JUNE 30, 2012**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Allen Dervi
Auditor: Anita Keshishyan**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 22, 2013

Viji Krishnaswamy
Finance Manager
Valley Village
20830 Sherman Way
Winnetka, CA 91306

ARCHWOOD HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1336292069
FISCAL PERIOD ENDED JUNE 30, 2012

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	\$	343,459	\$ 156.90
Net Audit Adjustment		<u>(2,622)</u>	<u>(1.20)</u>
Audited Cost/Cost Per Day	\$	<u>340,837</u>	\$ <u>155.70</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$1,330, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status.

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.

Viji Krishnaswamy
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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:
ARCHWOOD HOUSE

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1336292069

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 4)	0	2,189
2. Medi-Cal Managed Care Days (Adj 4)	2,189	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,189</u>	<u>2,189</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>343,459</u>	\$ <u>340,837</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>156.90</u>	\$ <u>155.70</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 5)	\$ <u>NA</u>	\$ <u>1,330</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:
ARCHWOOD HOUSE

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1336292069

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				0
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		2,655		2,655
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,655	\$ 0	\$ 2,655
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 7,161	\$	\$ 7,161
085	Utilities		1,878		1,878
090	Client Transportation (excluding Adult Day Services)		8,769		8,769
095	Dietary		24,525		24,525
100	Personal Care and Laundry	1, 2	7,893	(2,083)	5,810
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 50,226	\$ (2,083)	\$ 48,143
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 52,881	\$ (2,083)	\$ 50,798
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,053	\$	\$ 12,053
120	QMRP Fringe Benefits		3,235		3,235
125	Lead Salaries		52,148		52,148
130	Lead Fringe Benefits		13,658		13,658
135	Aides Salaries		76,473		76,473
140	Aides Fringe Benefits		9,619		9,619
145	Other Salaries		24,112		24,112
150	Other Fringe Benefits		6,554		6,554
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 197,852	\$ 0	\$ 197,852

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ARCHWOOD HOUSE

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1336292069

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 794	\$	\$ 794
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,644		1,644
180	Pharmacist Consultant		455		455
185	Nurse Consultant				0
190	Psychologist Consultant		3,429		3,429
195	Physician Consultant	3	1,739	(539)	1,200
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,061	\$ (539)	\$ 7,522
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 143	\$	\$ 143
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,208		22,208
230	Other General and Administrative*** (Excluding Adult Day Services)		62,314		62,314
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 84,665	\$ 0	\$ 84,665
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 343,459	\$ (2,622)	\$ 340,837
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 943	\$	\$ 943
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 344,402	\$ (2,622)	\$ 341,780

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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	Provider NPI	Adjustments	
ARCHWOOD HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1336292069	5	
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.				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
	4	100	4	2	100	2	Personal Care and Laundry	\$7,893		
1							To adjust program and recreation expense to agree with expense applicable to the audit period 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306		(\$252)	
2							To eliminate items not included in the routine rate. CCR, Title 22, 51510.2		<u>(1,831)</u> <u>(\$2,083)</u>	\$5,810
3	4.1	195	4	2	195	2	Physician Consultant To eliminate podiatrist consultant fees not included in the routine rate and billable separately. CCR, Title 22, Section 51510.2	\$1,739	(\$539)	\$1,200

Provider Name							Fiscal Period	Provider NPI	Adjustments		
ARCHWOOD HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1336292069	5		
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.					
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>											
4	2	C3	1	1	1	2	Medi-Cal Client Days	0	2,189	2,189	
	2	C3	2	1	2	2	Medi-Cal Managed Care Days	2,189	(2,189)	0	
To reclassify total client days to the Medi-Cal fee for service line. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304											

Provider Name				Fiscal Period				Provider NPI		Adjustments
ARCHWOOD HOUSE				JULY 1, 2011 THROUGH JUNE 30, 2012				1336292069		5
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.				
<u>ADJUSTMENT TO OTHER MATTERS</u>										
5	N/A			1	1.00	3	Share of Cost To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	\$0	\$1,330	\$1,330