

**REPORT
ON THE
RATE SETTING AUDIT**

**BAIRD HOUSE
WINNETKA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1639220163**

**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: Kevin Grace**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 13, 2013

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

BAIRD HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1639220163
FISCAL PERIOD ENDED JUNE 30, 2012

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	\$	340,587	\$ 155.09
Net Audit Adjustment		(1,298)	(0.59)
Audited Cost/Cost Per Day	\$	<u>339,289</u>	\$ <u>154.50</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.

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:
BAIRD HOUSE

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

Provider NPI:
1639220163

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 6)	0	2,196
2. Medi-Cal Managed Care Days (Adj 6)	2,196	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,196</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>340,587</u>	\$ <u>339,289</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>155.09</u>	\$ <u>154.50</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>	\$ <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:
BAIRD HOUSE

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

Provider NPI:
1639220163

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	\$ 0	\$ 0
050	Leases and Rentals		0	0	0
055	Real Property Taxes		0	0	0
060	Personal Property Taxes		0	0	0
065	Mortgage Interest		0	0	0
070	Property Insurance		2,739	0	2,739
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,739	\$ 0	\$ 2,739
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 2,111	\$ 0	\$ 2,111
085	Utilities		3,621	0	3,621
090	Client Transportation (excluding Adult Day Services)		25,038	0	25,038
095	Dietary		24,152	0	24,152
100	Personal Care and Laundry	1,2,3,4	8,672	(802)	7,870
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 63,594	\$ (802)	\$ 62,792
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 66,333	\$ (802)	\$ 65,531
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,165	\$ 0	\$ 12,165
120	QMRP Fringe Benefits		3,403	0	3,403
125	Lead Salaries		77,901	0	77,901
130	Lead Fringe Benefits		21,205	0	21,205
135	Aides Salaries		31,897	0	31,897
140	Aides Fringe Benefits		3,567	0	3,567
145	Other Salaries		23,609	0	23,609
150	Other Fringe Benefits		6,646	0	6,646
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 180,393	\$ 0	\$ 180,393

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BAIRD HOUSE

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

Provider NPI:
1639220163

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 686	\$ 0	\$ 686
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		2,151	0	2,151
180	Pharmacist Consultant		379	0	379
185	Nurse Consultant		76	0	76
190	Psychologist Consultant		3,639	0	3,639
195	Physician Consultant	5	1,696	(496)	1,200
200	Recreational Consultant		0	0	0
205	Social Service Consultant		0	0	0
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,627	\$ (496)	\$ 8,131
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 143	\$ 0	\$ 143
225	Administrative Fringe Benefits		0	0	0
226	Quality Assurance Fees (excluding Adult Day Services)		22,273	0	22,273
230	Other General and Administrative*** (Excluding Adult Day Services)		62,818	0	62,818
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 85,234	\$ 0	\$ 85,234
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 340,587	\$ (1,298)	\$ 339,289
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 1,253	\$ 0	\$ 1,253
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 341,840	\$ (1,298)	\$ 340,542

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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
BAIRD HOUSE				JULY 1, 2011 THROUGH JUNE 30, 2012				1639220163		6
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	100	4	2	100	2	Personal Care and Laundry To eliminate expense that was used to reduce share of cost. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$8,672	(\$504)	\$8,168 *
2	4	100	4	2	100	2	Personal Care and Laundry To eliminate an expense that was booked twice, for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$8,168	(\$77)	\$8,091 *
3	4	100	4	2	100	2	Personal Care and Laundry To eliminate expense that belongs to a subsequent fiscal period. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	* \$8,091	(\$66)	\$8,025 *
4	4	100	4	2	100	2	Personal Care and Laundry To eliminate expenses that should have been charged to share of cost but were not. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$8,025	(\$155)	\$7,870
5	4.1	195	4	2	195	2	Physician Consultant To eliminate separately billable physician services. CCR, Title 22, Section 51510.2	\$1,696	(\$496)	\$1,200

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
BAIRD HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1639220163		6
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>										
6	2	C 3	1	1	1	1	Medi-Cal Client Days	0	2,196	2,196
	2	C 3	2	1	2	1	Medi-Cal Managed Care Days To reclassify Medi-Cal client days for proper disclosure. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Section 2304	2,196	(2,196)	0