

**REPORT
ON THE
RATE SETTING AUDIT
COZYCROFT HOUSE
CHATSWORTH, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1598817355
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: Tina Ho**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 6, 2013

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

COZYCROFT HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1598817355
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	\$	317,710	\$ 144.68
Net Audit Adjustment		(3,427)	(1.56)
Audited Cost/Cost Per Day	\$	<u>314,283</u>	\$ <u>143.12</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:
COZYCROFT HOUSE

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

Provider NPI:
1598817355

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 8)	0	2,196
2. Medi-Cal Managed Care Days (Adj 8)	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>317,710</u>	\$ <u>314,283</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>144.68</u>	\$ <u>143.12</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:
COZYCROFT HOUSE

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

Provider NPI:
1598817355

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
050	Leases and Rentals		0		0
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		2,568		2,568
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,568	\$ 0	\$ 2,568
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 2,794	\$	\$ 2,794
085	Utilities		3,477		3,477
090	Client Transportation (excluding Adult Day Services)		11,827		11,827
095	Dietary		23,089		23,089
100	Personal Care and Laundry	2-6	6,914	(3,011)	3,903
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 48,101	\$ (3,011)	\$ 45,090
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 50,669	\$ (3,011)	\$ 47,658
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,288	\$	\$ 17,288
120	QMRP Fringe Benefits		2,965		2,965
125	Lead Salaries		35,560		35,560
130	Lead Fringe Benefits		8,741		8,741
135	Aides Salaries		67,860		67,860
140	Aides Fringe Benefits		9,106		9,106
145	Other Salaries		26,843		26,843
150	Other Fringe Benefits		6,599		6,599
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 174,962	\$ 0	\$ 174,962

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
COZYCROFT HOUSE

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

Provider NPI:
1598817355

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 666	\$	\$ 666
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		1,831		1,831
180	Pharmacist Consultant		455		455
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,694		2,694
195	Physician Consultant	7	1,616	(416)	1,200
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,262	\$ (416)	\$ 6,846
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 143	\$	\$ 143
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)	1	22,132	(3,317)	18,815
230	Other General and Administrative*** (Excluding Adult Day Services)	1	62,542	3,317	65,859
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 84,817	\$ 0	\$ 84,817
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 317,710	\$ (3,427)	\$ 314,283
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 1,194	\$	\$ 1,194
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 318,904	\$ (3,427)	\$ 315,477

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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
COZYCROFT HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1598817355		8
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>RECLASSIFICATION OF REPORTED COSTS</u>										
1	4.1	226	4	2	226	2	Quality Assurance Fees	\$22,132	(\$3,317)	\$18,815
	4.1	230	4	2	230	2	Other General and Administrative	62,542	3,317	65,859
To reclassify facility license fees to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8										

Provider Name							Fiscal Period	Provider NPI	Adjustments	
COZYCROFT HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1598817355	8	
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										
	4	100	4	2	100	2	Personal Care and Laundry	\$6,914		
2							To eliminate laboratory expense not included in the routine rat CCR, Title 22, Section 51510.2		(\$275)	
3							To eliminate physician services not included in the routine rate. CCR, Title 22, Section 51510.2		(90)	
4							To eliminate prior years audiology services expense. 42 CFR 413.20 and 413.24 CMS Pub. 15-, Sections 2300, 2302.1 and 2304		(200)	
5							To eliminate legend drugs not included in the routine rate. CCR, Title 22, Section 51510.2		(1,978)	
6							To eliminate physician and dental services not included in the routine rate. CCR, Title 22, Section 51510.2		<u>(468)</u> <u>(\$3,011)</u>	\$3,903
7	4.1	195	4	2	195	2	Physician Consultant To eliminate physician services not included in the routine rate. CCR, Title 22, Section 51510.2	\$1,616	(\$416)	\$1,200