

**REPORT  
ON THE  
RATE SETTING AUDIT**

**HAYDEN HOME  
VISTA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1245400670**

**FISCAL PERIOD ENDED  
JUNE 30, 2012**

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

**Section Chief: Patricia M. Fox  
Audit Supervisor: Sergio Gonzalez  
Auditor: Ana R. Macias**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 15, 2013

Azin Baird, Administrator  
Great Expectations Services, Inc.  
601 Calle Tibidabo  
San Clemente, CA 92672

HAYDEN HOME  
NATIONAL PROVIDER IDENTIFIER (NPI) 1245400670  
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, 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	\$	365,065	\$ 165.34
Net Audit Adjustment		(18,068)	(7.33)
Audited Cost/Cost Per Day	\$	<u>346,997</u>	\$ <u>158.01</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—San Diego at (619) 688-3200.

Originally signed by:

Patricia M. Fox, Chief  
Audits Section—San Diego  
Financial Audits Branch

Certified

cc: Shannon Gustafson  
HGi Financial Services  
9240 Limonite Avenue  
Riverside, CA 92509

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

**Provider:**  
HAYDEN HOME

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

**NPI:**  
1245400670

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj 11)	2,208	2,196
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,208</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>365,065</u>	\$ <u>346,997</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>165.34</u>	\$ <u>158.01</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>0</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:  
HAYDEN HOME

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

NPI:  
1245400670

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 8,733	\$	\$ 8,733
050	Leases and Rentals				0
055	Real Property Taxes		3,515		3,515
060	Personal Property Taxes				0
065	Mortgage Interest		26,574		26,574
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 38,822	\$ 0	\$ 38,822
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	1,2	\$ 8,907	\$ (4,048)	\$ 4,859
085	Utilities	3	7,876	(1,407)	6,469
090	Client Transportation (Excluding Adult Day Services)				0
095	Dietary		11,768		11,768
100	Personal Care and Laundry	4	9,423	(458)	8,965
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,974	\$ (5,913)	\$ 32,061
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 76,796	\$ (5,913)	\$ 70,883
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		116,681		116,681
140	Aides Fringe Benefits		21,203		21,203
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 137,884	\$ 0	\$ 137,884

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
HAYDEN HOME

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

NPI:  
1245400670

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 960	\$	\$ 960
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		750		750
175	Occupational Therapy Consultant		1,843		1,843
180	Pharmacist Consultant		1,623		1,623
185	Nurse Consultant		7,776		7,776
190	Psychologist Consultant		90		90
195	Physician Consultant		1,500		1,500
200	Recreational Consultant		90		90
205	Social Service Consultant				0
210	Other Consultant		258		258
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,890	\$ 0	\$ 14,890
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fee (excluding Adult Day Services)		15,474		15,474
230	Other General and Administrative (Excluding Adult Day Services)	5-10	120,021	(12,155)	107,866
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 135,495	\$ (12,155)	\$ 123,340
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 365,065	\$ (18,068)	\$ 346,997
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		83,834		83,834
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 448,899	\$ (18,068)	\$ 430,831

Provider Name							Fiscal Period	NPI		Adjustments
HAYDEN HOME							JULY 1, 2011 THROUGH JUNE 30, 2012	1245400670		11
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.				
<b>ADJUSTMENTS TO REPORTED COSTS</b>										
1	4 of 6	080	4	2	080	Home Operations and Maintenance To eliminate home operations and maintenance expenses due to lack of documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2304.1	\$8,907	(\$820)	\$8,087 *	
2	4 of 6	080	4	2	080	Home Operations and Maintenance To eliminate home operations and maintenance expenses due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$8,087	(\$3,228)	\$4,859	
3	4 of 6	085	4	2	085	Utilities To eliminate telephone expenses due to lack of documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2304.1	\$7,876	(\$1,407)	\$6,469	
4	4 of 6	100	4	2	100	Personal Care and Laundry To eliminate personal care and laundry expenses due to lack of documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2304.1	\$9,423	(\$458)	\$8,965	
5	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate overdraft fees not related to patient care 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, and 2304	\$120,021	(\$120)	\$119,901 *	
6	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate mileage and medical reimbursement expenses reported as salaries—officers allocated from the Home Office due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$119,901	(\$4,599)	\$115,302 *	
*Balance carried forward from prior/to subsequent adjustment										Page 1

Provider Name							Fiscal Period	NPI		Adjustments
HAYDEN HOME							JULY 1, 2011 THROUGH JUNE 30, 2012	1245400670		11
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.				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
7	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate travel expenses allocated from the Home Office due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2304.1	*	\$115,302	(\$1,478)	\$113,824 *
8	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate automobile expenses allocated from the Home Office due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$113,824	(\$3,821)	\$110,003 *
9	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate interest—other expenses allocated from the Home Office due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$110,003	(\$1,439)	\$108,564 *
10	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate telephone expenses allocated from the Home Office due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$108,564	(\$698)	\$107,866

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	NPI	Adjustments	
HAYDEN HOME							JULY 1, 2011 THROUGH JUNE 30, 2012	1245400670	11	
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.				
<b><u>ADJUSTMENT TO REPORTED CLIENT DAYS</u></b>										
11	2 of 6	3	1	1	1	Medi-Cal Client Days To adjust reported Medi-Cal client days to agree with the provider's patient census records. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	2,208	(12)	2,196	