

**REPORT
ON THE
COST REPORT REVIEW**

**VETERANS HOME OF CALIFORNIA - BARSTOW
BARSTOW, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1205821758**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Kelly Ostrom
Auditors: Dat Trinh and David Pereira**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

October 30, 2013

Eric Lau, Chief
California Department of Veterans Affairs
1227 O Street
Sacramento, CA 95814

VETERANS HOME OF CALIFORNIA - BARSTOW
NATIONAL PROVIDER IDENTIFIER (NPI) 1205821758
FISCAL PERIOD ENDED JUNE 30, 2010

We have examined the provider's 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 was limited to a review of the cost report and accompanying financial statements.

Our examination of the Skilled Nursing Facility per diem was limited to a review of the cost report and census records.

This audit report includes the:

1. Summary of Findings
2. Computation of Skilled Nursing Facility Per Diem (SNF Schedules)
3. Audit Adjustments Schedule

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

Eric Lau, Chief
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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—Sacramento at (916) 650-6994.

Original Signed By

Robert G. Kvick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

SUMMARY OF FINDINGS

Provider Name:
VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
JUNE 30, 2010

		SETTLEMENT	COST
1. Medi-Cal Noncontract Settlement (SCHEDULE 1)	Provider NPI:		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
2. Subprovider I (SCHEDULE 1-1)	Provider NPI:		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
3. Subprovider II (SCHEDULE 1-2)	Provider NPI:		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
4. Medi-Cal Contract Cost (CONTRACT SCH 1)	Provider NPI:		
	Reported		\$ 0
	Net Change		\$ 0
	Audited Cost		\$ 0
	Audited Amount Due Provider (State)	\$ 0	
5. Skilled Nursing Facility (SNF SCH 1)	Provider NPI: 1205821758		
	Reported		\$ 612.55
	Net Change		\$ (93.38)
	Audited Cost Per Day		\$ 519.16
	Audited Amount Due Provider (State)	\$ 0	
6. Distinct Part Nursing Facility (DPNF SCH 1-1)	Provider NPI:		
	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
7. Adult Subacute (ADULT SUBACUTE SCH 1)	Provider NPI:		
	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
8. Total Medi-Cal Settlement Due Provider (State) - (Lines 1 through 7)		\$ 0	
9. Total Medi-Cal Cost			\$ 0

SUMMARY OF FINDINGS

Provider Name:
VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
JUNE 30, 2010

		SETTLEMENT	COST
10. Subacute (SUBACUTE SCH 1-1)	Provider NPI:		
	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
Audited Amount Due Provider (State)		\$ 0	
11. Rural Health Clinic (RHC SCH 1)	Provider NPI:		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
12. Rural Health Clinic (RHC 95-210 SCH 1)	Provider NPI:		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
13. Rural Health Clinic (RHC 95-210 SCH 1-1)	Provider NPI:		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
14. County Medical Services Program (CMSP SCH 1)	Provider NPI:		
	Reported	\$ 0	
	Net Change	\$ 0	
	Audited Amount Due Provider (State)	\$ 0	
15. Transitional Care (TC SCH 1)	Provider NPI:		
	Reported		\$ 0.00
	Net Change		\$ 0.00
	Audited Cost Per Day		\$ 0.00
	Audited Amount Due Provider (State)	\$ 0	
16. Total Other Settlement Due Provider - (Lines 10 through 15)		\$ 0	
17. Total Combined Audited Settlement Due Provider (State/CMSP/RHC) - (Line 8 + Line 16)		\$ 0	

**COMPUTATION OF
SKILLED NURSING FACILITY PER DIEM**

Provider Name:
VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
JUNE 30, 2010

Provider NPI:
1205821758

	REPORTED	AUDITED	DIFFERENCE
COMPUTATION OF SKILLED NURSING FACILITY PER DIEM			
1	\$ 0	\$ 0	\$ 0
2. Skilled Nursing Facility Routine Cost (SNF Sch 2)	\$ 5,851,032	\$ 5,186,963	\$ (664,069)
3	\$	\$	\$ 0
4. Total SNF Patient Days (Adj 4)	9,552	9,991	439
5. Average SNF Per Diem Cost (Line 2 / Line 4)	\$ 612.55	\$ 519.16	\$ (93.38)
SKILLED NURSING OVERPAYMENT AND OVERBILLINGS			
6. Medi-Cal Overpayments (Adj)	\$ 0	\$ 0	\$ 0
7. Medi-Cal Credit Balances (Adj)	\$ 0	\$ 0	\$ 0
8. MEDI-CAL SETTLEMENT Due Provider (State)	\$ 0	\$ 0	\$ 0
	(To Summary of Findings)		
GENERAL INFORMATION			
9. Total Available Skilled Nursing Beds (C/R, W/S S-3)	120	120	0
10. Total Licensed Capacity (All levels) (Adj)	340	340	0
11.	0	0	0

SUMMARY SKILLED NURSING FACILITY EXPENSES

Provider Name:
 VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
 JUNE 30, 2010

Provider NPI:
 1205821758

COL.	COST CENTER DIRECT AND ALLOCATED EXPENSE	REPORTED	AUDITED *	DIFFERENCE
0.00	Distinct Part	\$ 2,492,280	\$ 2,492,280	\$ 0
1.00	Old Cap Rel Costs-Bldg & Fixtures	101,872	101,872	0
2.00	Old Cap Rel Costs-Movable Equipment	19,493	19,493	(0)
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
3.00	Employee Benefits	175,178	175,175	(3)
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
4.00	Administrative and General	1,043,395	608,479	(434,916)
5.00	Plant Operation, Maint. and Repairs	381,219	337,955	(43,264)
6.00	Laundry and Linen Service	76,281	67,624	(8,657)
7.00	Housekeeping	120,595	106,909	(13,686)
8.00	Dietary	411,872	365,129	(46,743)
9.00	Nursing Administration	721,001	639,175	(81,826)
12.00	Medical Records and Library	132,817	117,706	(15,111)
13.00	Social Services	175,029	155,165	(19,864)
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
0.00			0	0
101.00	TOTAL DIRECT AND ALLOCATED EXPENSES	\$ 5,851,032	\$ 5,186,963	\$ (664,069)

(To SNF Sch 1)

* From Schedule 8, Part I, line 16.

ALLOCATION OF INDIRECT EXPENSES
DISTINCT PART NURSING FACILITY

Provider Name:
VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
JUNE 30, 2010

Provider NPI:
1205821758

COL.	COST CENTER	AUDITED CAP RELATED * (COL 1)	AUDITED SAL & EMP BENEFITS * (COL 2)
1.00	Old Cap Rel Costs-Bldg & Fixtures	\$ 0	\$ N/A
2.00	Old Cap Rel Costs-Movable Equipment	0	N/A
0.00	0	0	N/A
0.00	0	0	N/A
0.00		0	N/A
3.00	Employee Benefits	0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
0.00		0	0
0.00		0	0
0.00		0	0
4.00	Administrative and General	0	0
5.00	Plant Operation, Maint. and Repairs	0	0
6.00	Laundry and Linen Service	0	0
7.00	Housekeeping	0	0
8.00	Dietary	0	0
9.00	Nursing Administration	0	0
12.00	Medical Records and Library	0	0
13.00	Social Services	0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
0.00		0	0
0.00		0	0
0.00		0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
0.00	0	0	0
101	TOTAL ALLOCATED INDIRECT EXPENSES	\$ 0	\$ 0

* These amounts include both Skilled Nursing Facility expenses line 34 and Nursing Facility expenses, line 35 (To DPNF SCH 1)

Provider Name:
VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
JUNE 30, 2010

		OLD BLDG & FIXTURES (SQ FT) 1.00 (Adj) (Adj)	OLD MOVBLE EQUIP (SQ FT) 2.00 (Adj) (Adj)	NEW BLDG & FIXTURES (SQ FT) (Adj) (Adj)	NEW MOVBLE EQUIP (SQ FT) (Adj) (Adj)	STAT (Adj) (Adj)						
GENERAL SERVICE COST CENTERS												
1.00	Old Cap Rel Costs-Bldg & Fixtures											
2.00	Old Cap Rel Costs-Movable Equipment											
3.00	Employee Benefits		50		50							
4.00	Administrative and General	19,567			19,567							
5.00	Plant Operation, Maint. and Repairs	1,233			1,233							
6.00	Laundry and Linen Service	3,387			3,387							
7.00	Housekeeping	677			677							
8.00	Dietary	17,010			17,010							
9.00	Nursing Administration	7,676			7,676							
12.00	Medical Records and Library	640			640							
13.00	Social Services	834			834							
INPATIENT ROUTINE COST CENTERS												
16.00	Skilled Nursing Facility	20,911			20,911							
19.00	Other Long Term Care	88,799			88,799							

Provider Name:
VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
JUNE 30, 2010

	LAUNDRY & LINEN (LB LNDRY)	HOUSE- KEEPING (SQ FT)	DIETARY (MEALS SERVED)	NURSING ADMIN (NURSE HR)	MED REC (TIME SPENT)	SOC SERV (TIME SPENT)	STAT	STAT	STAT	STAT	STAT	STAT
	6.00	7.00	8.00	9.00	12.00	13.00	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)
	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)
GENERAL SERVICE COST CENTERS												
1.00	Old Cap Rel Costs-Bldg & Fixtures											
2.00	Old Cap Rel Costs-Movable Equipment											
3.00	Employee Benefits											
4.00	Administrative and General											
5.00	Plant Operation, Maint. and Repairs											
6.00	Laundry and Linen Service											
7.00	Housekeeping											
8.00	Dietary											
9.00	Nursing Administration											
12.00	Medical Records and Library											
13.00	Social Services											
INPATIENT ROUTINE COST CENTERS												
16.00	68,310	20,911	30,938	70	40	32						
19.00	98,192	88,799	128,446		20	36						

Provider Name:
 VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
 JUNE 30, 2010

	LAUNDRY & LINEN (LB LNDRY)	HOUSE- KEEPING (SQ FT)	DIETARY (MEALS SERVED)	NURSING ADMIN (NURSE HR)	MED REC (TIME SPENT)	SOC SERV (TIME SPENT)	STAT	STAT	STAT	STAT	STAT	STAT
	6.00 (Adj) (Adj)	7.00 (Adj) (Adj)	8.00 (Adj) (Adj)	9.00 (Adj) (Adj)	12.00 (Adj) (Adj)	13.00 (Adj) (Adj)	(Adj) (Adj)	(Adj) (Adj)	(Adj) (Adj)	(Adj) (Adj)	(Adj) (Adj)	(Adj) (Adj)
ANCILLARY COST CENTERS												
21.00	Radiology											
22.00	Laboratory											
23.00	Intravenous Therapy											
24.00	Oxygen	590										
25.00	Physical Therapy	1,569										
26.00	Occupational Therapy											
27.00	Speech Pathology											
29.00	Medical Supplies Charged to Patients	850										
30.00	Drugs Charged to Patients	376										
34.00	Clinic	1,906										
NONREIMBURSABLE COST CENTERS												
63.01	ICF/Nursing Facility	87,274	19,336	59,491	30	40	32					
TOTAL												
		253,776	160,497	218,875	100	100	100	0	0	0	0	0
	COST TO BE ALLOCATED	251,228	820,554	2,583,154	913,107	294,265	484,891	0	0	0	0	0
	UNIT COST MULTIPLIER - SCH 8	0.989960	5.112581	11.801962	9131.06900	2942.653143	4848.907242	0.000000	0.000000	0.000000	0.000000	0.000000

Provider Name:
VETERANS HOME OF CALIFORNIA - BARSTOW

Fiscal Period Ended:
JUNE 30, 2010

	STAT	STAT	STAT	STAT	STAT	STAT	STAT
	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)
	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)
GENERAL SERVICE COST CENTERS							
1.00	Old Cap Rel Costs-Bldg & Fixtures						
2.00	Old Cap Rel Costs-Movable Equipment						
3.00	Employee Benefits						
4.00	Administrative and General						
5.00	Plant Operation, Maint. and Repairs						
6.00	Laundry and Linen Service						
7.00	Housekeeping						
8.00	Dietary						
9.00	Nursing Administration						
12.00	Medical Records and Library						
13.00	Social Services						
INPATIENT ROUTINE COST CENTERS							
16.00	Skilled Nursing Facility						
19.00	Other Long Term Care						

Provider Name							Fiscal Period	Provider NPI		Adjustments	
VETERANS HOME OF CALIFORNIA - BARSTOW							JULY 1, 2009 THROUGH JUNE 30, 2010	1205821758		4	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Audit Report	Cost Report									
		Work Sheet	Part	Title	Line	Col.					
<u>RECLASSIFICATION OF REPORTED COSTS</u>											
1	10A	A			4.00	7	Administrative and General	\$4,975,765	(\$1,023,077)	\$3,952,688 *	
	10A	A			21.00	7	Radiology	0	2,946	2,946	
	10A	A			22.00	7	Laboratory	0	345	345	
	10A	A			25.00	7	Physical Therapy	25,200	183,288	208,488	
	10A	A			30.00	7	Drugs Charged to Patients	948,406	8,143	956,549	
	10A	A			34.00	7	Clinic	402,016	828,355	1,230,371	
							To reclassify medical staff expense in Administrative and General to an ancillary cost center. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2203.2, 2300, and 2304				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
VETERANS HOME OF CALIFORNIA - BARSTOW							JULY 1, 2009 THROUGH JUNE 30, 2010			1205821758		4
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENTS TO REPORTED COSTS</u>												
2	10A	A			4.00	7	Administrative and General To eliminate administrative and general expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$3,952,688	(\$909,526)	\$3,043,162	
3	10A	A			12.00	7	Medical Records and Library To abate revenue against related costs. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Section 2328 CMS Pub. 15-2, Section 3613		\$214,818	(\$76)	\$214,742	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
VETERANS HOME OF CALIFORNIA - BARSTOW							JULY 1, 2009 THROUGH JUNE 30, 2010	1205821758		4
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report										
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.				
<u>ADJUSTMENT TO REPORTED PATIENT DAYS - SNF</u>										
4	SNF Sch. 1	S-3	I		1.00	7	Skilled Nursing Facility Days To adjust total skilled nursing facility days to agree with the provider's patient census report. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	9,552	439	9,991