

**REPORT
ON THE
RATE SETTING AUDIT
HAYVENHURST HOUSE
NORTH HILLS, CALIFORNIA
PROVIDER NPI: 1609927136
FISCAL PERIOD ENDED
JUNE 30, 2010**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Celia Avina
Auditor: Amandeep Sodhi**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

November 22, 2011

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

PROVIDER: HAYVENHURST HOUSE
PROVIDER NPI: 1609927136
FISCAL PERIOD ENDED JUNE 30, 2010

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	\$	309,971	\$ 141.54
Net Audit Adjustment		(5,521)	(2.52)
Audited Cost/Cost Per Day	\$	<u>304,450</u>	\$ <u>139.02</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 Rate Development Branch.

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:
HAYVENHURST HOUSE

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1609927136

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>309,971</u>	\$ <u>304,450</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>141.54</u>	\$ <u>139.02</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 6)	\$ <u>NA</u>	\$ <u>(25)</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:
HAYVENHURST HOUSE

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1609927136

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		2,507		2,507
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 2,507	\$ 0	\$ 2,507
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 2,836	\$	\$ 2,836
085	Utilities		3,399		3,399
090	Client Transportation (excluding Adult Day Services)		14,207		14,207
095	Dietary		22,760		22,760
100	Personal Care and Laundry	1,2,3	7,169	(3,434)	3,735
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 50,371	\$ (3,434)	\$ 46,937
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 52,878	\$ (3,434)	\$ 49,444
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	5	\$ 12,739	\$ 32	\$ 12,771
120	QMRP Fringe Benefits		3,736		3,736
125	Lead Salaries	5	69,446	534	69,980
130	Lead Fringe Benefits		20,642		20,642
135	Aides Salaries	5	47,872	(849)	47,023
140	Aides Fringe Benefits		4,960		4,960
145	Other Salaries	5	8,725	(273)	8,452
150	Other Fringe Benefits		2,630		2,630
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 170,750	\$ (556)	\$ 170,194

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
HAYVENHURST HOUSE

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1609927136

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 552	\$	\$ 552
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		2,725		2,725
180	Pharmacist Consultant		450		450
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,499		2,499
195	Physician Consultant	4	1,531	(1,531)	0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,757	\$ (1,531)	\$ 6,226
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		22,356		22,356
230	Other General and Administrative*** (Excluding Adult Day Services)		56,230		56,230
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 78,586	\$ 0	\$ 78,586
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 309,971	\$ (5,521)	\$ 304,450
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$ 1,337	\$	\$ 1,337
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 311,308	\$ (5,521)	\$ 305,787

Page 2 of 2

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name		Fiscal Period				Provider NPI		Adjustments	
HAYVENHURST HOUSE		JULY 1, 2009 THROUGH JUNE 30, 2010				1609927136		6	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Line	Col				
ADJUSTMENTS TO REPORTED COSTS									
1	4	100	3	2	100	3	Personal Care and Laundry	\$7,169	
2	4.1	195	3	2	195	3	To eliminate non-covered medical expenses that are not included in the payment rate. CCR, Title 22, Section 51510.2(b)		(\$1,560)
3	4.1	195	3	2	195	3	To eliminate resident medical expenses that are not included in the payment rate. CCR, Title 22, Section 51510.2(b)		(1,399)
4	4.1	195	3	2	195	3	To eliminate resident medical expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		(475)
5	4.1	115	3	2	115	3	Physician Consultant To eliminate physician consultant expense that are not included in the payment rate. CCR, Title 22, Section 51510.2(b)	\$1,531	(\$1,531)
	4.1	125	3	2	125	3	QMRP Salaries	\$12,739	\$32
	4.1	135	3	2	135	3	Lead Salaries	69,446	534
	4.1	145	3	2	145	3	Aides Salaries	47,872	(849)
	4.1	145	3	2	145	3	Other Salaries	8,725	(273)
							To reconcile direct care staff salary expense to agree with the provider 's payroll records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		
									\$0
									\$3,735

Provider Name		Fiscal Period		Provider NPI		Adjustments			
HAYVENHURST HOUSE		JULY 1, 2009 THROUGH JUNE 30, 2010		1609927136		6			
Adj. No.	Report References			Line	Col	Sch.	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report							
6	DHS 3076 Page or Exhibit			1	2	1	\$0	\$25	\$25
<p style="text-align: center;">Explanation of Audit Adjustments ADJUSTMENT TO OTHER MATTERS</p> <p>6 Not Reported 1 2 Share of Cost To reflect 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, Section 2409</p>									