

**REPORT
ON THE
RATE SETTING AUDIT**

**BYRON ICF/DDH HOME
DALY CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1275697211**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Louise Wong
Audit Supervisor: Matthew Moy
Auditor: Doris Burks**



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



EDMUND G. BROWN JR.
GOVERNOR

January 23, 2012

Hermie Yema, Administrator
Family Homes, Inc.
865 Alta Loma Drive
South San Francisco, CA 94080

BYRON ICF/DDH HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1275697211
FISCAL PERIOD ENDED DECEMBER 31, 2010

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	\$	284,517	\$ 150.06
Net Audit Adjustment		<u>(19,300)</u>	<u>(10.18)</u>
Audited Cost/Cost Per Day	\$	<u>265,217</u>	\$ <u>139.88</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Hermie Yema
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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:

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

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

Provider:
BYRON ICF/DDH HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1275697211

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,896	1,896
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>1,896</u>	<u>1,896</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>284,517</u>	\$ <u>265,217</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>150.06</u>	\$ <u>139.88</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BYRON ICF/DDH HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1275697211

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		\$ 5,701	\$ 0	\$ 5,701
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes	1	0	4,262	4,262
065	Mortgage Interest	1, 2	42,769	(22,826)	19,943
070	Property Insurance	3	823	(420)	403
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 49,293	\$ (18,984)	\$ 30,309
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 2,530	\$ 0	\$ 2,530
085	Utilities		3,765	0	3,765
090	Client Transportation (excluding Adult Day Services)		935	0	935
095	Dietary	4, 5	11,493	(316)	11,177
100	Personal Care and Laundry		34	0	34
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 18,757	\$ (316)	\$ 18,441
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 68,050	\$ (19,300)	\$ 48,750
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 4,038	\$ 0	\$ 4,038
120	QMRP Fringe Benefits		2,444	0	2,444
125	Lead Salaries		20,723	0	20,723
130	Lead Fringe Benefits		2,644	0	2,644
135	Aides Salaries		63,796	0	63,796
140	Aides Fringe Benefits		12,738	0	12,738
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 106,383	\$ 0	\$ 106,383

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BYRON ICF/DDH HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1275697211

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 767	\$ 0	\$ 767
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		420	0	420
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		8,144	0	8,144
190	Psychologist Consultant		721	0	721
195	Physician Consultant				0
200	Recreational Consultant		600	0	600
205	Social Service Consultant				0
210	Other Consultant		21,750	0	21,750
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 32,402	\$ 0	\$ 32,402
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 18,032	\$ 0	\$ 18,032
225	Administrative Fringe Benefits		6,791	0	6,791
226	Quality Assurance Fees (excluding Adult Day Services)		19,287	0	19,287
230	Other General and Administrative*** (Excluding Adult Day Services)		33,572	0	33,572
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 77,682	\$ 0	\$ 77,682
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 284,517	\$ (19,300)	\$ 265,217
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 284,517	\$ (19,300)	\$ 265,217

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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		
BYRON ICF/DDH HOME		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1275697211		5		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.	Line			
1	4	065	4	2	065	\$42,769	(\$4,262)	\$38,507 *
	4	060	4	2	060	0	4,262	4,262
<p style="text-align: center;">RECLASSIFICATION OF REPORTED COSTS</p> <p>Mortgage Interest Expense Personal Property Taxes To reclassify property taxes expense to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304</p>								

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider NPI		Adjustments				
BYRON ICF/DDH HOME		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1275697211		5				
Adj. No.	DHS 3076 Page or Exhibit	Report References			AS Reported	Increase (Decrease)	AS Adjusted			
		Line	Col.	Sch.						
Explanation of Audit Adjustments										
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
2	4	065	4	2	065	3	Mortgage Interest Expense To eliminate mortgage expense that is not recognized under the Medi-Cal Program. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300	* \$38,507	(\$18,564)	\$19,943
3	4	070	4	2	070	3	Property Insurance To eliminate property insurance expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$823	(\$420)	\$403
4	4	095	4	2	095	3	Dietary To eliminate dietary expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$11,493	(\$215)	\$11,278 *
5	4	095	4	2	095	3	Dietary To eliminate dietary expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	* \$11,278	(\$101)	\$11,177

*Balance carried forward from prior/to subsequent adjustments