REPORT
ON THE
RATE SETTING AUDIT

BEECHWOOD PARK
LYNWOOD, CALIFORNIA
PROVIDER NUMBER: LTC80302F
NATIONAL PROVIDER IDENTIFIER: 1922147685

FISCAL PERIOD ENDED
DECEMBER 31, 2010

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

Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Ron Leiss

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

November 28, 2011

Linda Gassoumis, Administrator
Beechwood Park
640 El Cerco Place
Pacific Palisades, CA 90272

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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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	470,454	$	214.82
Net Audit Adjustment		(44,445)		(20.30)
Audited Cost/Cost Per Day	$	426,009	$	194.52

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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
BEECHWOOD PARK

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

Provider NPI:
1922147685

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	2,190	2,185
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj 6)	0	5
4. Total Client Days	2,190	2,190
5. Total Client Care Expenses (From Sch. 2)	$ 470,454	$ 426,009
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 214.82	$ 194.52
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BEECHWOOD PARK

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

Provider NPI:
1922147685

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	1	$	$ 5,024	$ 5,024
050	Leases and Rentals	2	36,600	(36,600)	0
055	Real Property Taxes		2,855		2,855
060	Personal Property Taxes				0
065	Mortgage Interest	3	12,450	(12,450)	0
070	Property Insurance		1,797		1,797
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 53,702	$ (44,026)	$ 9,676
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 1,978	$	$ 1,978
085	Utilities	4,5	7,360	(419)	6,941
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		17,352		17,352
100	Personal Care and Laundry		5,955		5,955
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 32,645	$ (419)	$ 32,226
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 86,347	$ (44,445)	$ 41,902
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 13,636	$	$ 13,636
120	QMRP Fringe Benefits		4,082		4,082
125	Lead Salaries		89,354		89,354
130	Lead Fringe Benefits		29,000		29,000
135	Aides Salaries		117,694		117,694
140	Aides Fringe Benefits		38,263		38,263
145	Other Salaries		7,385		7,385
150	Other Fringe Benefits		2,303		2,303
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 301,717	$ 0	$ 301,717

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BEECHWOOD PARK

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

Provider NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 440	$	$ 440
165	Speech Pathology Consultant		731		731
170	Physical Therapy Consultant		863		863
175	Occupational Therapy Consultant		2,535		2,535
180	Pharmacist Consultant		500		500
185	Nurse Consultant				0
190	Psychologist Consultant		1,610		1,610
195	Physician Consultant				0
200	Recreational Consultant		1,320		1,320
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 7,999	$ 0	$ 7,999
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$ 15,000	$	$ 15,000
225	Administrative Fringe Benefits		1,653		1,653
226	Quality Assurance Fees (excluding Adult Day Services)		20,665		20,665
230	Other General and Administrative*** (Excluding Adult Day Services)		37,073		37,073
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 74,391	$ 0	$ 74,391
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 470,454	$ (44,445)	$ 426,009
			(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)		$ 470,454	$ (44,445)	$ 426,009

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

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
BEECHWOOD PARK	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1922147685	7

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
1	4	45	2	2	45	2	Depreciation and Amortization To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	$0	$5,024	$5,024
2	4	50	2	2	50	2	Leases and Rentals To eliminate lease expenses paid to a related party. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	$36,600	($36,600)	$0
3	4	65	2	2	65	2	Mortgage Interest To eliminate mortgage interest expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub.15-1, Sections 2300 and 2304	$12,450	($12,450)	$0
4	4	85	2	2	85	2	Utilities To eliminate prior years utility expenses. 42 CFR 413.5 and 413.24 / CMS Pub.15-1, Sections 2300 and 2302.1	$7,360	($323)	$7,037 *
5	4	85	2	2	85	2	Utilities * To reconcile utility expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	$7,037	($96)	$6,941

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
BEECHWOOD PARK	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1922147685	7

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED PATIENT DAYS			
6	2	3	3	1	3	2	Other Client Days To adjust other client days to agree with the provider's patient census reports. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	5	5

Provider Name	Fiscal Period	Provider NPI	Adjustments
BEECHWOOD PARK	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1922147685	7

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA			
7	2	3	3	1	1	2	Medi-Cal Days To adjust reported Medi-Cal days to agree with the following EDS Paid Claim Summary: Report Date: July 12, 2011 Payment Period: January 1, 2010 through July 31, 2010 Service Period: January 1, 2010 through December 31, 2010 42 CFR 413.20, 413.50, 413.53, 413.60 and 413.64 CMS Pub. 15-1, Sections 2304 and 2408	2,190	(5)	2,185