

**REPORT  
ON THE  
RATE SETTING AUDIT**

**HAYVENHURST HOUSE  
NORTH HILLS, CALIFORNIA  
PROVIDER NUMBERS: LTC60395F / NPI 1609927136**

**FISCAL PERIOD ENDED  
JUNE 30, 2008**

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

**Section Chief: Daniel J. Giardinelli  
Audit Supervisor: Gertrude Lake  
Auditor: Lok Lui**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

August 17, 2009

Joyce Brady  
Finance Manager  
Valley Village  
20830 Sherman Way  
Winnetka, CA 91306

PROVIDER: HAYVENHURST HOUSE  
PROVIDER NOS. LTC60395F / NPI 1609927136  
FISCAL PERIOD ENDED JUNE 30, 2008

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	\$	308,700	\$ 145.48
Net Audit Adjustment		(1,438)	(1.09)
Audited Cost/Cost Per Day	\$	<u>307,262</u>	\$ <u>144.39</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
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.

Joyce Brady  
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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:

Chief  
Office of Administrative Appeals and Hearings  
1029 J Street, Suite 200  
Sacramento, CA 95814-2825  
(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 95899-7413

**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 95814-5005  
(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, 2007 THROUGH JUNE 30, 2008

**Provider Number:**  
LTC60395F

**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 7)	2,122	2,128
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>2,122</u>	<u>2,128</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>308,700</u>	\$ <u>307,262</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>145.48</u>	\$ <u>144.39</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:  
HAYVENHURST HOUSE

Fiscal Period:  
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:  
LTC60395F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 0	\$ 0	\$ 0
050	Leases and Rentals		11,615	0	11,615
055	Real Property Taxes		0	0	0
060	Personal Property Taxes		0	0	0
065	Mortgage Interest		0	0	0
070	Property Insurance		3,152	0	3,152
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 14,767	\$ 0	\$ 14,767
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	1	\$ 2,014	\$ (223)	\$ 1,791
085	Utilities		3,024	0	3,024
090	Client Transportation		6,986	0	6,986
095	Dietary	1, 4	22,204	183	22,387
100	Personal Care and Laundry	3	8,186	(918)	7,268
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,414	\$ (958)	\$ 41,456
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 57,181	\$ (958)	\$ 56,223
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 12,132	\$ 0	\$ 12,132
120	QMRP Fringe Benefits		3,274	0	3,274
125	Lead Salaries		66,789	0	66,789
130	Lead Fringe Benefits		17,982	0	17,982
135	Aides Salaries		52,130	0	52,130
140	Aides Fringe Benefits		5,870	0	5,870
145	Other Salaries		9,784	0	9,784
150	Other Fringe Benefits		2,675	0	2,675
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 170,636	\$ 0	\$ 170,636

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
HAYVENHURST HOUSE

Fiscal Period:  
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:  
LTC60395F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 724	\$ 0	\$ 724
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant	6	475	(375)	100
175	Occupational Therapy Consultant		1,850	0	1,850
180	Pharmacist Consultant	2, 5	507	(105)	402
185	Nurse Consultant		0	0	0
190	Psychologist Consultant		2,355	0	2,355
195	Physician Consultant		1,147	0	1,147
200	Recreational Consultant		0	0	0
205	Social Service Consultant		0	0	0
210	Other Consultant		0	0	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,058	\$ (480)	\$ 6,578
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 0	\$ 0	\$ 0
225	Administrative Fringe Benefits		0	0	0
226	Quality Assurance Fees		21,382	0	21,382
230	Other Administrative and General		52,443	0	52,443
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 73,825	\$ 0	\$ 73,825
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 308,700	\$ (1,438)	\$ 307,262
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 1,177	\$ 0	\$ 1,177
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 309,877	\$ (1,438)	\$ 308,439

## SUMMARY OF AUDITED LABOR REPORT

Provider:  
HAYVENHURST HOUSE

Fiscal Period:  
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:  
LTC60395F

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries	(3) Total Hours (Adj 8)	Average Hourly Wage (Col 2 / Col 3)
	<b>DIRECT CARE STAFF</b>				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 3,274	\$ 12,132	667	\$ 18.19
2	Lead	17,982	66,789	6,137	10.88
3	Aides	5,870	52,130	4,669	11.17
4	Other	2,675	9,784	556	17.60
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 29,801	\$ 140,835	12,029	
	<b>CONSULTANT STAFF</b>				
6	Dietician	\$	\$ 724	13	\$ 55.27
7	Speech Pathology	0	0	0	0.00
8	Physical Therapy	0	100	2	50.00
9	Occupational Therapy	0	1,850	37	50.00
10	Pharmacist	0	402	12	33.50
11	Nurse	0	0	0	0.00
12	Psychologist	0	2,355	39	61.12
13	Physician	0	1,147	12	95.55
14	Recreational	0	0	0	0.00
15	Social Service	0	0	0	0.00
16	Other	0	0	0	0.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 6,578	115	
	<b>ADMINISTRATIVE STAFF</b>				
18	Administrative Staff	\$ 0	\$ 0	0	\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 29,801	\$ 147,413	12,144	

Provider Name		Fiscal Period		Provider Number		Adjustments		
HAYVENHURST HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC60395F		8		
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
	Cost Report	Line	Col.	Sch				Line
1	4	80	4	2	80.00	Home Operations and Maintenance	\$2,014	\$1,791
	4	95	4	2	95.00	Dietary	22,204	22,427 *
<p style="text-align: center;"><b>RECLASSIFICATION OF REPORTED COSTS</b></p> <p>To reclassify dietary expense to the appropriate cost center.                      42 CFR 413.20 and 413.24                      CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8</p>								

\*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments	
HAYVENHURST HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC60395F		8	
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Line	Col.	Sch			
<b>ADJUSTMENTS TO REPORTED COSTS</b>							
2	4.1	180	4	2	180.00	Pharmacist Consultant To reconcile the reported expenses to agree with the provider's trial balance. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$507 (\$56) \$451 *
3	4	100	4	2	100.00	Personal Care and Laundry To eliminate personal care and laundry expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$8,186 (\$918) \$7,268
4	4	95	4	2	95.00	Dietary To eliminate gasoline expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3	\$22,427 (\$40) \$22,387
5	4.1	180	4	2	180.00	Pharmacist Consultant To adjust the pharmacist consultant expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$451 (\$49) \$402
6	4.1	170	4	2	170.00	Physical Therapy Consultant To adjust physical therapy consultant expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$475 (\$375) \$100

\*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments	
HAYVENHURST HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC60395F		8	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line
		Cost Report	Audit Report				
7	2	3	1	1.00	1		2,128
							6
							2,128
<p>Explanation of Audit Adjustments</p> <p><u>ADJUSTMENT TO REPORTED PATIENT DAYS</u></p> <p>Medi-Cal Client Days                      To adjust total patient 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</p>							

Provider Name		Fiscal Period		Provider Number		Adjustments				
HAYVENHURST HOUSE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC60395F		8				
Adj. No.	Report References			Line	Sch	Col.	Line	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report								
8	DHS 3076									
	Page or Exhibit	Line	Col.	Sch	Col.	Line				
	6	1	3	3	3	1.00	QMRP	720	(53)	667
	6	2	3	3	3	2.00	Lead	5,827	310	6,137
	6	4	3	3	3	4.00	Other	890	(334)	556

Explanation of Audit Adjustments  
ADJUSTMENT TO THE LABOR REPORT

To adjust productive hours to agree with the payroll records.  
42 CFR 413.20 / CMS Pub. 15-1, Section 2304