

**REPORT  
ON THE  
RATE SETTING AUDIT**

**BUILD HOME  
BERKELEY, CALIFORNIA  
PROVIDER NUMBER: LTC60996F AND  
NPI NUMBER: 1083744395**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2008**

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

**Section Chief: Louise Wong  
Audit Supervisor: Diana Dong  
Auditor: Marvin Reynolds**



DAVID MAXWELL-JOLLY  
*Director*

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



ARNOLD SCHWARZENEGGER  
*Governor*

October 14, 2009

Racquel Robinson, Director  
Build Home  
2110 7<sup>th</sup> Street  
Berkeley, CA 94710

PROVIDER: BUILD HOME  
PROVIDER NO. LTC60996F AND NPI NO. 1083744395  
FISCAL PERIOD ENDED DECEMBER 31, 2008

We have examined the facility's Integrated Disclosure and 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 Summary of Audited Facility Cost per Patient Day represents a proper determination of the allowable costs and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles.

This audit report includes the:

1. Summary of Audited Facility Cost per Patient Day and supporting schedules
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.

If you disagree with the decision of the Department, you may appeal by writing to:

John Melton, Acting Chief  
Office of Administrative Appeals and Hearings  
1029 J Street, Suite 200  
Sacramento, CA 95814-2825  
(916) 322-5603

Racquel Robinson  
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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  
P.O. 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—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:**  
BUILD HOME

**Fiscal Period:**  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

**Provider Number:**  
LTC60996F

**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 )	2,100	2,100
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>2,100</u>	<u>2,100</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>474,710</u>	\$ <u>464,440</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>226.05</u>	\$ <u>221.16</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:  
BUILD HOME

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC60996F

Line No.	DESCRIPTION	ADJ NOS.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	1, 2	\$ 15,506	\$ (8,303)	\$ 7,203
050	Leases and Rentals				0
055	Real Property Taxes		175		175
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		4,238		4,238
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 19,919	\$ (8,303)	\$ 11,616
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 4,567	\$	\$ 4,567
085	Utilities		13,342		13,342
090	Client Transportation		1,029		1,029
095	Dietary		15,019		15,019
100	Personal Care and Laundry		6,769		6,769
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 40,726	\$ 0	\$ 40,726
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 60,645	\$ (8,303)	\$ 52,342
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 28,077	\$	\$ 28,077
120	QMRP Fringe Benefits		5,619		5,619
125	Lead Salaries		74,552		74,552
130	Lead Fringe Benefits		18,054		18,054
135	Aides Salaries		146,407		146,407
140	Aides Fringe Benefits		30,547		30,547
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 303,256	\$ 0	\$ 303,256

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
BUILD HOME

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC60996F

Line No.	DESCRIPTION	ADJ NOS.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,260	\$	\$ 1,260
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		1,120		1,120
185	Nurse Consultant		18,923		18,923
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		33		33
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 21,336	\$ 0	\$ 21,336
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 33,285	\$	\$ 33,285
225	Administrative Fringe Benefits		8,994		8,994
226	Quality Assurance Fees	5	16,956	(1,767)	15,189
230	Other Administrative and General	3,4	30,238	(200)	30,038
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 89,473	\$ (1,967)	\$ 87,506
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 474,710	\$ (10,270)	\$ 464,440
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 474,710	\$ (10,270)	\$ 464,440

Provider Name		Fiscal Period		Provider Number		Adjustments		
BUILD HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60996F		5		
Adj. No.	Report References	Line	Col.	Sch	Line	As Reported	Increase (Decrease)	As Adjusted
	DHS 3076 Page or Exhibit							
<b>Explanation of Audit Adjustments</b>								
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>								
1	Page 4 of 6	045	4	2	45	\$15,506	(\$1,298)	\$14,208 *
Depreciation and Amortization To adjust depreciation to agree with the provider's detailed depreciation schedules. CMS Pub. 15-1, Sections 102 and 2304								
2	Page 4 of 6	045	4	2	45	\$14,208	(\$7,005)	\$7,203
Depreciation and Amortization To adjust depreciation to agree with the provider's detailed depreciation schedules. CMS Pub. 15-1, Sections 102 and 2304								
3	Page 4.1 of 6	230	4	2	230	\$30,238	(\$150)	\$30,088 *
Other General and Administrative To eliminate CAL OSHA penalty expense not related to patient care. CMS Pub. 15-1, Sections 2102.3, 2122.1, and 2304								
4	Page 4.1 of 6	230	4	2	230	\$30,088	(\$50)	\$30,038
Other General and Administrative To eliminate insufficient check balance penalty fees not related to patient care. CMS Pub. 15-1, Sections 2102.3, 2122.1, and 2304								
5	Page 4.1 of 6	226	4	2	226	\$16,956	(\$1,767)	\$15,189
Quality Assurance Fees To eliminate quality assurance fees due to insufficient documentation CMS Pub. 15-1, Sections 2300 and 2304								