

**REPORT
ON THE
RATE SETTING AUDIT
BRADLEY HOUSE
SYLMAR, CALIFORNIA
PROVIDER NUMBERS: LTC60476F / NPI 1891847406
FISCAL PERIOD ENDED
JUNE 30, 2009**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Debra K. Blake
Auditor: Loan Vuong**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 7, 2010

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

PROVIDER: BRADLEY HOUSE
PROVIDER NOS. LTC60476F / NPI 1891847406
FISCAL PERIOD ENDED JUNE 30, 2009

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	\$	407,518		\$ 186.08
Net Audit Adjustment		<u>(101,104)</u>		<u>(46.16)</u>
Audited Cost/Cost Per Day	\$	<u>306,414</u>		\$ <u>139.92</u>

This audit report includes the:

1. Audit Report Schedules 1 through 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
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:
BRADLEY HOUSE

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60476F

Provider NPI:
1891847406

**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. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>407,518</u>	\$ <u>306,414</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>186.08</u>	\$ <u>139.92</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj 9)	\$ <u>0</u>	\$ <u>8,952</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:
BRADLEY HOUSE

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60476F

NPI:
1891847406

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	8	12,376	(12,376)	0
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		2,676		2,676
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,052	\$ (12,376)	\$ 2,676
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,304	\$	\$ 3,304
085	Utilities		3,382		3,382
090	Client Transportation		14,662		14,662
095	Dietary		24,677		24,677
100	Personal Care and Laundry	1, 2, 3, 4, 5, 6	36,601	(26,503)	10,098
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 82,626	\$ (26,503)	\$ 56,123
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 97,678	\$ (38,879)	\$ 58,799
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 11,269	\$	\$ 11,269
120	QMRP Fringe Benefits		2,835		2,835
125	Lead Salaries		76,857		76,857
130	Lead Fringe Benefits		19,274		19,274
135	Aides Salaries	7	88,366	(62,225)	26,141
140	Aides Fringe Benefits		10,239		10,239
145	Other Salaries		9,162		9,162
150	Other Fringe Benefits		2,330		2,330
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 220,332	\$ (62,225)	\$ 158,107

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BRADLEY HOUSE

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
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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		\$ 560	\$	\$ 560
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		60		60
175	Occupational Therapy Consultant		1,937		1,937
180	Pharmacist Consultant		419		419
185	Nurse Consultant		0		0
190	Psychologist Consultant		2,713		2,713
195	Physician Consultant		1,030		1,030
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,719	\$ 0	\$ 6,719
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		16,553		16,553
230	Other Administrative and General		66,236		66,236
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 82,789	\$ 0	\$ 82,789
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 407,518	\$ (101,104)	\$ 306,414
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
240	Non-Program Services		\$ 1,360	\$	\$ 1,360
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 408,878	\$ (101,104)	\$ 307,774

Provider Name		Fiscal Period		Provider Number		Adjustme		
BRADLEY HOUSE		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60476F		9		
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report	Line	Col			
		100	4	2	3	\$36,601		
1							(\$12,651)	
2							(9,040)	
3							(4,055)	
4							(205)	
5							(155)	
6							(397)	\$10,098
							<u>(\$26,503)</u>	

ADJUSTMENTS TO REPORTED COSTS

Personal Care and Laundry

To adjust the reported resident expense to agree with the general ledger.
42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304

To eliminate dental expenses which are separately billable services.
42 CFR 413.9, 413.20 and 413.24
CMS Pub. 15-1, Sections 2104.4, 2300 and 2304
CCR, Title 22, Sections 51510 and 51511

To eliminate noncovered service expenses.
42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304
CCR, Title 22, Section 51510(c)

To eliminate noncovered service expense due to lack of documentation.
42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304
CCR, Title 22, Section 51510(c)

To eliminate orthopedic shoes expense which is separately billable services.
42 CFR 413.9, 413.20 and 413.24
CMS Pub. 15-1, Sections 2104.4, 2300 and 2304
CCR, Title 22, Sections 51510 and 51511

To eliminate prior year expense.
42 CFR 413.5 and 413.24
CMS Pub. 15-1, Sections 2300 and 2302.1

Provider Name		Fiscal Period		Provider Number		Adjustme					
BRADLEY HOUSE		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60476F		9					
Adj. No.	Cost Report	Report References		Line	Sch.	Col.	Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Line	Col.								
9	DHS 3076 Page or Exhibit	1	1.00	2					\$0	\$8,952	\$8,952
<p>Share of Cost</p> <p>To reflect Medi-Cal overpayments because the share of cost was not properly deducted from the amount billed</p> <p>42 CFR 413.5 and 413.20 / CMS Pub. 15-1, Section 2409</p> <p><u>ADJUSTMENT TO OTHER MATTERS</u></p>											