

**REPORT
ON THE
RATE SETTING AUDIT**

**BERKSHIRE MANOR, INC. ICF/DD-H
SAN BRUNO, CALIFORNIA
PROVIDER NUMBER: LTC61036F
NPI NUMBER: 1073663274**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Louise Wong
Audit Supervisor: Diana Dong
Auditor: Ken Cui**



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



EDMUND G. BROWN JR.
GOVERNOR

January 26, 2011

Jose Albero, President
Berkshire Manor, Inc.
2820 Berkshire Drive
San Bruno, CA 94060

PROVIDER: BERKSHIRE MANOR, INC. ICF/DD-H
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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:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	381,708	\$ 201.86
Net Audit Adjustment		<u>(51,958)</u>	<u>(28.22)</u>
Audited Cost/Cost Per Day	\$	<u>329,750</u>	\$ <u>173.64</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 Rate Development Branch.

Jose Albero
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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:
BERKSHIRE MANOR, INC. ICF/DD-H

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC61036F

Provider NPI:
1073663274

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 5)	1,891	1,899
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,891</u>	<u>1,899</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>381,709</u>	\$ <u>329,750</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>201.86</u>	\$ <u>173.64</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:
BERKSHIRE MANOR, INC. ICF/DD-H

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC61036F

NPI:
1073663274

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		\$ 10,198	\$ 0	\$ 10,198
050	Leases and Rentals		84,000	0	84,000
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest		264	0	264
070	Property Insurance		1,867	0	1,867
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 96,329	\$ 0	\$ 96,329
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 3,465	\$ (389)	\$ 3,076
085	Utilities	2	12,811	(4,754)	8,057
090	Client Transportation		2,332	0	2,332
095	Dietary		10,128	0	10,128
100	Personal Care and Laundry		4,004	0	4,004
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,740	\$ (5,143)	\$ 27,597
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 129,069	\$ (5,143)	\$ 123,926
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,250	\$ 0	\$ 17,250
120	QMRP Fringe Benefits		2,394	0	2,394
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		44,740	0	44,740
140	Aides Fringe Benefits		6,210	0	6,210
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 70,594	\$ 0	\$ 70,594

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BERKSHIRE MANOR, INC. ICF/DD-H

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

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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		\$ 1,200	\$ 0	\$ 1,200
165	Speech Pathology Consultant		490	0	490
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		420	0	420
180	Pharmacist Consultant				0
185	Nurse Consultant		10,600	0	10,600
190	Psychologist Consultant		725	0	725
195	Physician Consultant				0
200	Recreational Consultant		600	0	600
205	Social Service Consultant				0
210	Other Consultant		1,200	0	1,200
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 15,235	\$ 0	\$ 15,235
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$ 84,602	\$ 0	\$ 84,602
225	Administrative Fringe Benefits		10,398	0	10,398
226	Quality Assurance Fees	3	45,499	(32,800)	12,699
230	Other Administrative and General	4	26,312	(14,016)	12,296
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 166,811	\$ (46,816)	\$ 119,995
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 381,709	\$ (51,959)	\$ 329,750
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 381,709	\$ (51,959)	\$ 329,750

Provider Name		Fiscal Period				Provider Number		Adjustments	
BERKSHIRE MANOR, INC. ICF/DD-H		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC61036F		5	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Line	Col.				
ADJUSTMENTS TO REPORTED COSTS									
1	4 of 6	080	4	2	80	3	\$3,465	(\$389)	\$3,076
Home Operations and Maintenance To eliminate Gun Club expense not related to patient care. CMS. Pub. 15-1, Sections 2103.3 and 2138.3									
2	4 of 6	085	4	2	85	3	\$12,811	(\$4,754)	\$8,057
Utilities To eliminate wireless phone expense not related to patient care. CMS. Pub. 15-1, Section 2103.3									
3	4.1 of 6	226	4	2	226	3	\$45,499	(\$32,800)	\$12,699
Quality Assurance Fee To adjust Quality Assurance Fee to include only fees incurred in 2009. CMS Pub. 15-1, Sections 2302.1, 2304, and 2306									
4	4.1 of 6	230	4	2	230	3	\$26,312	(\$14,016)	\$12,296
Other Administrative and General To adjust administrative costs to eliminate nonallowable donations, nonpatient care related entertainment expenses, out-of-country travel expenses, and the prepaid portion of license fees for the subsequent year. CMS Pub. 15-1, Sections 2100, 2102.2, 2102.3, 2105.6, 2105.7, 2105.8, 2300, 2302.1, and 2304									

