

**REPORT
ON THE
RATE SETTING AUDIT**

**BYRON ICF/DDH HOME
DALY CITY, CALIFORNIA
PROVIDER NUMBER: LTC60652G AND
NPI NUMBER: 1275697211**

**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: David Mui
Auditor: Mandy Lin**



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



EDMUND G. BROWN JR.
GOVERNOR

January 25, 2011

Hermie Yema, Administrator
Family Homes, Inc.
865 Alta Loma Drive
South San Francisco, CA 94080

PROVIDER: BYRON ICF/DDH HOME
PROVIDER NO. LTC60652G
NPI NUMBER: 1275697211
FISCAL PERIOD ENDED DECEMBER 31, 2009

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	\$	266,146	\$ 132.81
Net Audit Adjustment		<u>(19,875)</u>	<u>(9.92)</u>
Audited Cost/Cost Per Day	\$	<u>246,271</u>	\$ <u>122.89</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$1,025, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement of Account Status.

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:

John Melton, 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
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.

Hermie Yema
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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:
BYRON ICF/DDH HOME

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

Provider Number:
LTC60652G

Provider NPI:
1275697211

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,004	2,004
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,004</u>	<u>2,004</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>266,146</u>	\$ <u>246,271</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>132.81</u>	\$ <u>122.89</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u> </u>	\$ <u> 0</u>
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OVERPAYMENTS

1. Med-Cal Overpayments (Adj 8)	\$ <u> NA</u>	\$ <u> 1,025</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u> 0</u>
3. Total Overpayments	\$ <u> 0</u>	\$ <u> 1,025</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BYRON ICF/DDH HOME

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

Provider Number:
LTC60652G

NPI:
1275697211

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	\$ 0	\$ 5,829	\$ 5,829
050	Leases and Rentals		0		0
055	Real Property Taxes	1	0	3,606	3,606
060	Personal Property Taxes		0		0
065	Mortgage Interest	2	46,241	(27,510)	18,731
070	Property Insurance	1	0	806	806
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 46,241	\$ (17,269)	\$ 28,972
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 1,047	\$ 0	\$ 1,047
085	Utilities	3, 4	4,545	(537)	4,008
090	Client Transportation		719	0	719
095	Dietary		9,576	0	9,576
100	Personal Care and Laundry	5	2,000	(657)	1,343
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 17,887	\$ (1,194)	\$ 16,693
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105) *		\$ 64,129	\$ (18,463)	\$ 45,666
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 5,913	\$ 0	\$ 5,913
120	QMRP Fringe Benefits	7	1,783	(290)	1,493
125	Lead Salaries		23,216	0	23,216
130	Lead Fringe Benefits		3,174	0	3,174
135	Aides Salaries		59,357	0	59,357
140	Aides Fringe Benefits		7,657	0	7,657
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150) *		\$ 101,101	\$ (290)	\$ 100,810

* Reported amount does not foot due to rounding variance.

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BYRON ICF/DDH HOME

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

Provider Number:
LTC60652G

NPI:
1275697211

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 536	\$ 0	\$ 536
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		650	0	650
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant	6	3,104	(558)	2,546
190	Psychologist Consultant		1,270	0	1,270
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		9,584	0	9,584
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 15,144	\$ (558)	\$ 14,586
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 23,530	\$ 0	\$ 23,530
225	Administrative Fringe Benefits	7	5,315	(564)	4,751
226	Quality Assurance Fees		20,958	0	20,958
230	Other Administrative and General		35,969	0	35,969
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230) *		\$ 85,773	\$ (564)	\$ 85,209
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 266,146	\$ (19,875)	\$ 246,271
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 266,146	\$ (19,875)	\$ 246,271

* Reported amount does not foot due to rounding variance.

Provider Name		Fiscal Period				Provider Number		Adjustments		
BYRON ICF/DDH HOME		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC60652G		8		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
		Line	Col.	Sch.	Line				Col.	
ADJUSTMENTS TO REPORTED COSTS										
1	4 of 6	045	4	2	45	3	Depreciation and Amortization	\$0	\$5,829	\$5,829
	4 of 6	055	4	2	55	3	Real Property Taxes	0	3,606	3,606
	4 of 6	070	4	2	70	3	Property Insurance	0	806	806
To include cost of ownership to agree with the provider's records. CMS Pub. 15-1, Section 1011.5										
2	4 of 6	065	4	2	65	3	Mortgage Interest	\$46,241	(\$27,510)	\$18,731
To eliminate interest expense not related to patient care. CMS Pub. 15-1, Sections 202.2 and 2102.3										
3	4 of 6	085	4	2	85	3	Utilities	\$4,545	(\$247)	\$4,298 *
To eliminate utilities expense not related to patient care. CMS Pub. 15-1, Section 2102.3										
4	4 of 6	085	4	2	85	3	Utilities	\$4,298	(\$290)	\$4,008
To reconcile the reported utilities expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304										
5	4 of 6	100	4	2	100	3	Personal Care and Laundry	\$2,000	(\$657)	\$1,343
To eliminate Personal Care and Laundry expense due to lack of documentation. CMS Pub. 15-1, Sections 2300 and 2304										
6	4.1 of 6	185	4	2	185	3	Nurse Consultant	\$3,104	(\$558)	\$2,546
To reconcile the reported consultant cost to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304										
7	4.1 of 6	120	4	2	120	3	QMPR Benefits	\$1,783	(\$290)	\$1,493
	4.1 of 6	225	4	2	225	3	Administrative Fringe Benefits	5,315	(564)	4,751
To reconcile the reported benefits to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304										

*Balance carried forward from prior/to subsequent adjustments

