

**REPORT  
ON THE  
RATE SETTING AUDIT**

**HOLLYWOOD HOME  
REEDLEY, CALIFORNIA  
PROVIDER NUMBER: LTC60774F  
NPI NUMBER: 1598948036**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2009**

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

**Section Chief: Michael Harrold  
Audit Supervisor: Linda King  
Auditor: Pawandeeep Boparai**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

December 17, 2010

Dale W. Martinez, Administrator  
Hollywood Home  
405 Hollywood Court  
Reedley, CA 93654

PROVIDER: HOLLYWOOD HOME  
PROVIDER NO. LTC60774F  
NPI NO. 1598948036  
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, 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	\$	253,148	\$ 115.59
Net Audit Adjustment		(1,969)	(0.90)
Audited Cost/Cost Per Day	\$	<u>251,179</u>	\$ <u>114.69</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.

Dale W. Martinez  
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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—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

Certified

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

**Provider:**  
HOLLYWOOD HOME

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

**Provider Number:**  
LTC60774F

**Provider NPI:**  
1598948036

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

AS REPORTED	AS AUDITED
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1. Medi-Cal Client Days (Adj )	2,190	2,190
2. Other Client Days (Adj )		0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>253,148</u>	\$ <u>251,179</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>115.59</u>	\$ <u>114.69</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:  
HOLLYWOOD HOME

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

Provider Number:  
LTC60774F

Provider NPI:  
1598948036

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
050	Leases and Rentals				0
055	Real Property Taxes		1,828		1,828
060	Personal Property Taxes				0
065	Mortgage Interest		6,972		6,972
070	Property Insurance	2	0	409	409
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 8,800	\$ 409	\$ 9,209
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	3, 6	\$ 3,999	\$ (1,531)	\$ 2,468
085	Utilities		7,472		7,472
090	Client Transportation				0
095	Dietary		7,637		7,637
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 19,108	\$ (1,531)	\$ 17,577
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 27,908	\$ (1,122)	\$ 26,786
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		10,147		10,147
130	Lead Fringe Benefits		2,093		2,093
135	Aides Salaries	1	97,840	(1,200)	96,640
140	Aides Fringe Benefits	1	20,850	1,200	22,050
145	Other Salaries		11,280		11,280
150	Other Fringe Benefits		2,347		2,347
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 144,557	\$ 0	\$ 144,557

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 951	\$	\$ 951
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant	5	750	(750)	0
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant		80		80
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 1,781	\$ (750)	\$ 1,031
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		22,489		22,489
230	Other Administrative and General	4	56,413	(97)	56,316
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 78,902	\$ (97)	\$ 78,805
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 253,148	\$ (1,969)	\$ 251,179
	<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)		\$ 253,148	\$ (1,969)	\$ 251,179

Provider Name		Fiscal Period		Provider Number		Adjustments		
HOLLYWOOD HOME		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60774F		6		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Line	Col.	Explanation of Audit Adjustments						
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>								
1	4.1	135	4	2	135.00	Aides Salaries	\$97,840	\$96,640
	4.1	140	4	2	140.00	Aides Benefits	20,850	22,050
To reclassify benefit expense to the appropriate cost center for proper cost determination. 42 CFR 413.5, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2306								

Provider Name		Fiscal Period		Provider Number		Adjustments		
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Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Line	Col.					
<b>ADJUSTMENTS TO REPORTED COSTS</b>								
2	4	70	4	2	70.00	\$0	\$409	\$409
Property Insurance To include property insurance expense omitted by the provider. 42 CFR 413.24 CMS Pub. 15-1, Sections 2161A and 2304								
3	4	80	4	2	80.00	\$3,999	(\$1,267)	\$2,732 *
Home Operations and Maintenance To eliminate housekeeping supplies expense due to lack of documentation. 42 CFR 413.20, 413.24 and 431.107 CMS Pub. 15-1, Sections 2300 and 2304								
4	4.1	230	4	2	230.00	\$56,413	(\$97)	\$56,316
Other General and Administrative To eliminate dues and subscriptions expense due to lack of documentation. 42 CFR 413.20, 413.24 and 431.107 CMS Pub. 15-1, Sections 2300 and 2304								
5	4.1	180	4	2	180.00	\$750	(\$750)	\$0
Pharmacist Consultant To eliminate pharmacist consultant expense due to lack of documentation. 42 CFR 413.20, 413.24 and 431.107 CMS Pub. 15-1, Sections 2300 and 2304								
6	4	80	4	2	80.00	\$2,732	(\$264)	\$2,468
Home Operations and Maintenance To eliminate auto repair expense that is not related to Hollywood Home. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								

\*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments					
HOLLYWOOD HOME		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60774F		6					
Adj. No.	Report References			Line	Sch	Col.	Line	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Audit Report									
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	Page or Exhibit										

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