

**REPORT
ON THE
RATE SETTING AUDIT**

**BADGER CREEK
SANTA ROSA, CALIFORNIA
PROVIDER NUMBER: LTC80196F AND
NPI NUMBER: 1124192364**

**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: Sandra Garcia
Auditor: Philip Wah**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

January 26, 2010

Sarane Collins, CFO
Badger Creek
4520 Badger Creek Rd.
Santa Rosa, CA 95409

PROVIDER: BADGER CREEK
PROVIDER NO. LTC80196F AND NPI NO. 1124192364
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 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	\$	461,849	\$ 210.31
Net Audit Adjustment		<u>(5,248)</u>	<u>(2.39)</u>
Audited Cost/Cost Per Day	\$	<u>456,601</u>	\$ <u>207.92</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.

Sarane Collins
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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
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.

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:
BADGER CREEK

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

Provider Number:
LTC80196F

Provider NPI:
1124192364

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>461,849</u>	\$ <u>456,601</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>210.31</u>	\$ <u>207.92</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:
BADGER CREEK

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

Provider Number:
LTC80196F

Provider NPI:
1124192364

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 6,039	\$ 0	\$ 6,039
050	Leases and Rentals				0
055	Real Property Taxes		15	0	15
060	Personal Property Taxes				0
065	Mortgage Interest		19,298	0	19,298
070	Property Insurance		1,871	0	1,871
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,223	\$ 0	\$ 27,223
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 11,049	\$ 0	\$ 11,049
085	Utilities		5,500	0	5,500
090	Client Transportation		10,862	0	10,862
095	Dietary		16,023	0	16,023
100	Personal Care and Laundry	3	10,096	(1,600)	8,496
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 53,530	\$ (1,600)	\$ 51,930
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 80,753	\$ (1,600)	\$ 79,153
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 8,654	\$ 0	\$ 8,654
120	QMRP Fringe Benefits	2	837	(77)	760
125	Lead Salaries		82,649	0	82,649
130	Lead Fringe Benefits	2	11,063	(1,116)	9,947
135	Aides Salaries		148,957	0	148,957
140	Aides Fringe Benefits	2	11,241	(1,688)	9,553
145	Other Salaries		30,322	0	30,322
150	Other Fringe Benefits	2	2,623	(243)	2,380
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 296,346	\$ (3,124)	\$ 293,222

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BADGER CREEK

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

Provider Number:
LTC80196F

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1124192364

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,600	\$ 0	\$ 1,600
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		4,120	0	4,120
180	Pharmacist Consultant				0
185	Nurse Consultant		10,515	0	10,515
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant		518	0	518
210	Other Consultant		1,940	0	1,940
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 18,693	\$ 0	\$ 18,693
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 26,438	\$ 0	\$ 26,438
225	Administrative Fringe Benefits	2	2,385	(221)	2,164
226	Quality Assurance Fees		25,670	0	25,670
230	Other Administrative and General	1	11,564	(303)	11,261
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 66,057	\$ (524)	\$ 65,533
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 461,849	\$ (5,248)	\$ 456,601
	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)		\$ 461,849	\$ (5,248)	\$ 456,601

Provider Name		Fiscal Period		Provider Number		Adjustments		
BADGER CREEK		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80196F		3		
Adj. No.	Report References		Line	Col.	Sch	Line	As Reported	As Adjusted
	COST REPORT	AUDIT REPORT						
1	4.1 of 6	230	4	2	230	Other General and Administrative To eliminate the telephone expense due to being excess cost. CMS Pub. 15-1, Sections 2106.1 and 2106.2	\$11,564	\$11,261
2	4.1 of 6	120	4	2	120	QMRP Fringe Benefits	\$637	\$760
	4.1 of 6	130	4	2	130	Lead Benefits	11,063	9,947
	4.1 of 6	140	4	2	140	Aides Benefits	11,241	9,553
	4.1 of 6	150	4	2	150	Other Benefits	2,623	2,380
	4.1 of 6	225	4	2	225	Administrative Fringe Benefits To adjust reported worker's compensation to agree with the provider's supporting documents. CMS Pub. 15-1, Sections 2300 and 2304	2,385	2,164
3	4 of 6	100	4	2	100	Personal Care and Laundry To eliminate personal care expenses that does not pertain to the current fiscal period according to the provider's supporting documents. CMS Pub. 15-1, Sections 2300 and 2304	\$10,096	\$8,496