

**REPORT
ON THE
RATE SETTING AUDIT**

**LOYD'S LIBERTY HOMES, INC. - BRIX
FRESNO, CALIFORNIA
PROVIDER NUMBER: LTC80167G
NPI: 1467667998**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2009**

**Audits Section—Rancho Cucamonga
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Julio M. Cueto
Audit Supervisor: Lucia Martinez
Auditor: Wendy Oney**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 29, 2010

Peter Kurylo
Vice President/CFO
Lloyd's Liberty Homes, Inc.
9166 Anaheim Place, Suite 200
Rancho Cucamonga, CA 91730

LOYD'S LIBERTY HOMES, INC. - BRIX
PROVIDER NUMBER LTC80167G
NATIONAL PROVIDER IDENTIFIER (NPI) 1467667998
FISCAL PERIOD ENDED SEPTEMBER 30, 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	\$	371,977	\$ 347.32
Net Audit Adjustment		(39,530)	(101.61)
Audited Cost/Cost Per Day	\$	<u>332,447</u>	\$ <u>245.71</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$212, which resulted from Medi-Cal overpayments
3. Audited Allocation of Home Office Cost

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

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.

Peter Kurylo
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If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed by

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

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

Provider:
LOYD'S LIBERTY HOMES, INC. - BRIX

Fiscal Period:
OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009

Provider Number:
LTC80167G

Provider NPI:
1467667998

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	1,071	1,353
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>1,071</u>	<u>1,353</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>371,977</u>	\$ <u>332,447</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>347.32</u>	\$ <u>245.71</u>

SHARE OF COST

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

1. Medi-Cal Overpayments (Adj 8)	\$ <u>0</u>	\$ <u>(212)</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>(212)</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOYD'S LIBERTY HOMES, INC. - BRIX

Fiscal Period:
OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009

Provider Number:
LTC80167G

NPI:
1467667998

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		\$ 8,061	\$	\$ 8,061
050	Leases and Rentals		13,480		13,480
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 21,541	\$ 0	\$ 21,541
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1, 2	\$ 15,079	\$ (1,205)	\$ 13,874
085	Utilities		7,841		7,841
090	Client Transportation		5,244		5,244
095	Dietary		9,037		9,037
100	Personal Care and Laundry	3, 4	9,663	(2,068)	7,595
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 46,864	\$ (3,273)	\$ 43,591
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 68,405	\$ (3,273)	\$ 65,132
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 9,126	\$	\$ 9,126
120	QMRP Fringe Benefits		1,980		1,980
125	Lead Salaries		9,742		9,742
130	Lead Fringe Benefits		2,114		2,114
135	Aides Salaries		73,074		73,074
140	Aides Fringe Benefits		15,881		15,881
145	Other Salaries		86,164		86,164
150	Other Fringe Benefits		6,938		6,938
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 205,019	\$ 0	\$ 205,019

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LOYD'S LIBERTY HOMES, INC. - BRIX

Fiscal Period:
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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		\$ 1,274	\$	\$ 1,274
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		371		371
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		2,250		2,250
200	Recreational Consultant		1,260		1,260
205	Social Service Consultant				0
210	Other Consultant		258		258
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 5,413	\$ 0	\$ 5,413
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 2,209	\$	\$ 2,209
225	Administrative Fringe Benefits		479		479
226	Quality Assurance Fees		14,155		14,155
230	Other Administrative and General	5, 6	76,297	(36,257)	40,040
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 93,140	\$ (36,257)	\$ 56,883
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 371,977	\$ (39,530)	\$ 332,447
	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)		\$ 371,977	\$ (39,530)	\$ 332,447

Provider Name		Fiscal Period				Provider Number		Adjustments	
LOYD'S LIBERTY HOMES, INC. - BRIX		OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009				LTC80167G		8	
Report References		Explanation of Audit Adjustments							
Cost Report		ADJUSTMENT TO REPORTED PATIENT DAYS							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	As Reported	Increase (Decrease)	As Adjusted
7	2	3	1	1	1		1,071	282	1,353
Client Days - Medi-Cal To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304									

Provider Name		Fiscal Period		Provider Number		Adjustments	
LOYD'S LIBERTY HOMES, INC. - BRIX		OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009		LTC80167G		8	
Report References		Audit Report					
Adj. No.	Line	Col.	Sch.	Line	Col.	As Reported	Increase (Decrease) As Adjusted
8	Not Reported	1	1	1	1	\$0	\$212
<p>Overpayment To recover Medi-Cal overpayment for the day of discharge. CMS Pub. 15-1, Sections 2205.1 and 2409.3 CCR, Title 22, Section 51458.1</p>							
<p><u>ADJUSTMENT TO OTHER MATTERS</u></p>							