

**REPORT
ON THE
RATE SETTING AUDIT**

**BIXBY KNOLL PLACE
LONG BEACH, CALIFORNIA
PROVIDER NUMBER: LTC80080G
NATIONAL PROVIDER IDENTIFIER: 1427265800**

**FISCAL PERIOD
DECEMBER 31, 2009**

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

**Section Chief: Maria Delgado
Audit Supervisor: Ginn Sampson
Auditor: Vivian Chan**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 14, 2010

Dana Simon, Administrator
Bixby Knoll Place
3706 Pine Avenue
Long Beach, CA 90807

BIXBY KNOLL PLACE
PROVIDER NUMBER: LTC80080G
NATIONAL PROVIDER IDENTIFIER (NPI): 1427265800
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	\$	401,697	\$ 221.93
Net Audit Adjustment		<u>(52,069)</u>	<u>(28.77)</u>
Audited Cost/Cost Per Day	\$	<u>349,628</u>	\$ <u>193.16</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.

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.

If you have questions regarding this report, you may call the Audits Section—Gardena at (310)217-6900.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

Dana Simon
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cc: Maggie Briones, Consultant
13349 Ebell Street
Van Nuys, CA 91402

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

Provider:
BIXBY KNOLL PLACE

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

Provider Number:
LTC80080G

Provider NPI:
1427265800

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,810	1,810
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,810</u>	<u>1,810</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>401,697</u>	\$ <u>349,628</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>221.93</u>	\$ <u>193.16</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)	\$ <u> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BIXBY KNOLL PLACE

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

Provider Number:
LTC80080G

NPI:
1427265800

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	2	\$ 10,000	\$ (10,000)	\$ 0
050	Leases and Rentals		0		0
055	Real Property Taxes		5,561		5,561
060	Personal Property Taxes		0		0
065	Mortgage Interest	1	42,069	(42,069)	0
070	Property Insurance		845		845
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 58,475	\$ (52,069)	\$ 6,406
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,372	\$	\$ 5,372
085	Utilities		3,789		3,789
090	Client Transportation		539		539
095	Dietary		5,120		5,120
100	Personal Care and Laundry		11,138		11,138
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,958	\$ 0	\$ 25,958
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 84,433	\$ (52,069)	\$ 32,364
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 23,000	\$	\$ 23,000
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		0		0
130	Lead Fringe Benefits		0		0
135	Aides Salaries		120,211		120,211
140	Aides Fringe Benefits		20,695		20,695
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 163,906	\$ 0	\$ 163,906

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
BIXBY KNOLL PLACE

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

Provider Number:
LTC80080G

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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		\$ 0	\$	\$ 0
165	Speech Pathology Consultant		1,830		1,830
170	Physical Therapy Consultant		1,590		1,590
175	Occupational Therapy Consultant		1,080		1,080
180	Pharmacist Consultant		0		0
185	Nurse Consultant		70,826		70,826
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 75,326	\$ 0	\$ 75,326
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 35,000	\$	\$ 35,000
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		15,085		15,085
230	Other Administrative and General		27,947		27,947
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 78,032	\$ 0	\$ 78,032
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 401,697	\$ (52,069)	\$ 349,628
	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)		\$ 401,697	\$ (52,069)	\$ 349,628

Provider Name		Fiscal Period		Provider Number		Adjustments		
BIXBY KNOLL PLACE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80080G		2		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4	65	4	2	65.00	\$42,069	(\$42,069)	\$0
Mortgage Interest To eliminate non-allowable interest expense for assets subject to Balanced Budget Act. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 104.10(c)								
2	4	45	4	2	45.00	\$10,000	(\$10,000)	\$0
Depreciation and Amortization To eliminate depreciation expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								