

**REPORT
ON THE
HOME OFFICE AUDIT**

**WOODLAND RESIDENTIAL SERVICES, INC.
WOODLAND, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Delia Valencia
Auditor: Laura Langston**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 20, 2013

Parminder Kajley, President
Woodland Residential Services, Inc.
1381 E. Gum Avenue
Woodland, CA 95776

WOODLAND RESIDENTIAL SERVICES, INC.
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2011. 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 Comparison of Reported and Audited Home Office Cost represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Comparison of Reported and Audited Home Office Cost and supporting schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Parminder Kajley
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If you have questions regarding this report, you may call the Audits Section—
Sacramento at (916) 650-6976.

Original Signed By

Robert G. Kvik, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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**COMPARISON OF REPORTED AND AUDITED
HOME OFFICE COST**

HOME OFFICE:
WOODLAND RESIDENTIAL SERVICES, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI 2	FISCAL YEAR END 3	REPORTED COST 4	AUDITED COST 5	VARIANCE 6
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(From Sch 2, Col 6) (Col 5 - Col 4)

1. ELLIOT	1811104797	12/31/11	\$85,731	\$70,916	(\$14,815)
2. EVERGREEN	1124237094	12/31/11	99,029	81,704	(17,325)
3. GUM	1922215896	12/31/11	90,301	74,503	(15,798)
4. HAPPY RANCH	1730348764	12/31/11	99,943	82,458	(17,485)
5. MARSHALL	1851500722	12/31/11	76,820	63,422	(13,398)
6. NORTH	1033328901	12/31/11	95,556	78,839	(16,717)
7. SQUAW	1942419817	12/31/11	99,167	82,001	(17,166)
8.				0	0
9.				0	0
10.				0	0
11.				0	0
12.				0	0
13.				0	0
14.				0	0
15.				0	0
16.				0	0
17.				0	0
18.				0	0
19.				0	0
20.				0	0
21.				0	0
22.				0	0
23.				0	0
24.				0	0
25.				0	0

TOTALS

	\$646,547	\$533,844	(\$112,703)
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SUMMARY OF DIRECT AND ALLOCATED POOL COST

HOME OFFICE:
WOODLAND RESIDENTIAL SERVICES, INC.FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI 2	FISCAL YEAR END 3	DIRECT EXPENSES 4	POOLED EXPENSES 5	TOTAL DIRECT & POOLED FACILITY EXPENSE 6
			(From Sch 4)	(From Sch 3)	(Col 4 + Col 5)
1. ELLIOT	1811104797	12/31/11	\$183	\$70,733	\$70,916
2. EVERGREEN	1124237094	12/31/11	0	81,704	81,704
3. GUM	1922215896	12/31/11	0	74,503	74,503
4. HAPPY RANCH	1730348764	12/31/11	0	82,458	82,458
5. MARSHALL	1851500722	12/31/11	42	63,380	63,422
6. NORTH	1033328901	12/31/11	0	78,839	78,839
7. SQUAW	1942419817	12/31/11	184	81,817	82,001
8.			0	0	0
9.			0	0	0
10.			0	0	0
11.			0	0	0
12.			0	0	0
13.			0	0	0
14.			0	0	0
15.			0	0	0
16.			0	0	0
17.			0	0	0
18.			0	0	0
19.			0	0	0
20.			0	0	0
21.			0	0	0
22.			0	0	0
23.			0	0	0
24.			0	0	0
25.			0	0	0
TOTALS			\$409	\$533,435	\$533,844

(To Sch 1)

ALLOCATION OF POOLED EXPENSES

HOME OFFICE:
WOODLAND RESIDENTIAL SERVICES, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

PART I - ALLOCATION BETWEEN PROVIDER AND NONPROVIDER COMPONENTS

FACILITY	Allocation Statistics Base:		Allocation Pool Expenses 3
	Accumulated Cost 1	Percent 2	
Program Services (Adj)	\$2,095,301	84.8025%	\$533,435
Nonprogram Services (Adj)	375,500	15.1975%	95,597
TOTAL	\$2,470,801	100.0000%	\$629,032

(From Sch 5)

PART II - ALLOCATION TO INDIVIDUAL CHAIN COMPONENTS

CHAIN COMPONENTS	PROVIDER NPI	Audit Adjustment	Allocation Statistic: (Client Days)	Allocated Pool Expense (Col 2 X UCM)
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1. ELLIOT	1811104797		1,876	\$70,733
2. EVERGREEN	1124237094		2,167	81,704
3. GUM	1922215896		1,976	74,503
4. HAPPY RANCH	1730348764		2,187	82,458
5. MARSHALL	1851500722		1,681	63,380
6. NORTH	1033328901		2,091	78,839
7. SQUAW	1942419817		2,170	81,817
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0

TOTALS

14,148 \$533,435

(To Sch 2)

UNIT COST MULTIPLIER (UCM) (Pooled Expenses/Patient Days)	37.703906
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DIRECT ALLOCATION OF EXPENSES TO CHAIN COMPONENTS

HOME OFFICE:
WOODLAND RESIDENTIAL SERVICES, INC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2011

CHAIN COMPONENTS 1	PROVIDER NPI	REPORTED TOTAL (Col F) 2	Expense Directly Allocable to Chain Component				AUDITED TOTAL 7
			Utility expense 3 (Adj 18)	specify expense 4 (Adj) (Adj)	specify expense 5 (Adj) (Adj)	specify expense 6 (Adj) (Adj)	
1. ELLIOT	1811104797	\$0	\$183	\$0	\$0	\$0	\$183
2. EVERGREEN	1124237094	0	0	0	0	0	0
3. GUM	1922215896	0	0	0	0	0	0
4. HAPPY RANCH	1730348764	0	0	0	0	0	0
5. MARSHALL	1851500722	0	42	0	0	0	42
6. NORTH	1033328901	0	0	0	0	0	0
7. SQUAW	1942419817	0	184	0	0	0	184
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
21.		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
TOTALS		\$0	\$409	\$0	\$0	\$0	\$409

(To Sch 2)

STATEMENT OF REIMBURSABLE COSTS

HOME OFFICE:
WOODLAND RESIDENTIAL SERVICES, INC.FISCAL PERIOD ENDED:
DECEMBER 31, 2011

ACCOUNT DESCRIPTION 1	REPORTED COSTS 2	COST AUDIT ADJUSTMENTS 3	AUDITED COSTS 4	DIRECT COST 5	AUDITED POOLED COSTS 6
		(Adj 1-17)	(Col 2 + Col 3)	(Adj 18)	(Col 4 - Col 5)
1. Salaries-Officers	\$304,820		\$304,820		\$304,820
2. Salaries-Other	54,754		54,754		54,754
3. Payroll Taxes	32,632		32,632		32,632
4. Employee Benefits	24,873	(3,078)	21,795		21,795
5. Travel			0		0
6. Entertainment	43		43		43
7. Automobile	50,581	(46,953)	3,628		3,628
8. Depreciation-Building			0		0
9. Depreciation-Equipment			0		0
10. Other Depreciation and Amortization			0		0
11. Leases and Rentals	12,350	(950)	11,400		11,400
12. Interest-Mortgages			0		0
13. Interest-Other			0		0
14. Taxes and Licenses	923	(840)	83		83
15. Legal and Accounting	39,503	(2,610)	36,893		36,893
16. Insurance	108,424	(57,755)	50,669		50,669
17. Telephone	22,559		22,559		22,559
18. Utilities	525	(81)	444	409	35
19. Office Supplies	24,424	(7,061)	17,363		17,363
20. Nonprogram			0		0
21. Other - Dietary	4,599	(755)	3,844		3,844
22. Client Personal Care	14,827		14,827		14,827
23. Seminars & Meetings	394		394		394
24. Pre-Employment	9,204		9,204		9,204
25. Advertising & Promotion	400		400		400
26. Operations & Maintenance	29,174	(12,892)	16,282		16,282
27. Bank Service Fee	0		0		0
28. QMRP Salary/Wages			0		0
29. RN Salary/Wages	26,283		26,283		26,283
30. Dietician Consultant	600		600		600
31. Occupational Therapy/Consultant	150		150		150
32. Physician/Consultant	0		0		0
33. Recreational Therapy	280		280		280
34. Other/Consultant	94		94		94
TOTAL EXPENSES	\$762,416	(\$132,975)	\$629,441	\$409	\$629,032
				(To Sch 4)	(To Sch 3)

Provider Name							Fiscal Period	Provider NPI		Adjustments	
WOODLAND RESIDENTIAL SERVICES, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	NA		18	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3099 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS											
1	2	4	6	5	4	6	Employee Benefits To eliminate electronic expense not related to patient car 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2104.3	\$24,873	(\$261)	\$24,612 *	
2	2	4	6	5	4	6	Employee Benefits	*	\$24,612	(\$2,817)	\$21,795
	2	19	6	5	19	6	Office Supplies		24,424	(7,061)	17,363
	2	21	6	5	21	6	Other - Dietary		4,599	(755)	3,844
	2	26	6	5	26	6	Operations & Maintenance To eliminate credit card expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	29,174	(1,671)	27,503 *	
3	2	7	6	5	7	6	Automobile	\$50,581	(\$46,953)	\$3,628	
	2	14	6	5	14	6	Taxes and Licenses To eliminate automobile and tax and DMV registration expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	923	(684)	239 *	
4	2	11	6	5	11	6	Leases and Rentals To adjust lease and rental expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$12,350	(\$950)	\$11,400	
5	2	14	6	5	14	6	Taxes and Licenses To eliminate tax and license expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	*	\$239	(\$156)	\$83

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
WOODLAND RESIDENTIAL SERVICES, INC.				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				NA		18
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3099 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
	2	15	6	5	15	6	Legal and Accounting	\$39,503		
6							To eliminate legal expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		(\$915)	
7							To eliminate legal expense due to insufficient documentation that expenses are patient care related. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		<u>(1,695)</u> (\$2,610)	\$36,893
	2	16	6	5	16	6	Insurance	\$108,424		
8							To eliminate insurance reimbursement due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$2,136)	
9							To eliminate liability insurance expense not applicable to the audit period and due to insufficient documentation 42 CFR 413.20, 413.24, and 413.5 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		(1,839)	
10							To eliminate auto insurance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(9,116)	
11							To adjust workers' compensation expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		<u>(19,040)</u> (\$32,131)	\$76,293 *
*Balance carried forward from prior/to subsequent adjustments										

Provider Name							Fiscal Period		Provider NPI		Adjustments	
WOODLAND RESIDENTIAL SERVICES, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		NA		18	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Cost Report			Audit Report									
Adj. No.	DHS 3099 Page or Exhibit	Line	Col.	Sch.	Line	Col.						
<u>ADJUSTMENTS TO REPORTED COSTS</u>												
12	2	16	6	5	16	6	Insurance To adjust workers' compensation expense to agree with Provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$76,293	(\$25,624)	\$50,669	
13	2	18	6	5	18	6	Utilities To eliminate utility expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		\$525	(\$81)	\$444 *	
14	2	26	6	5	26	6	Operations & Maintenance To eliminate delivery expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$27,503			
15							To adjust household supply expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306				(114)	
16							To eliminate maintenance and repair expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				(586)	
17							To eliminate storage expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				(3,771) (\$11,221)	\$16,282

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments	
WOODLAND RESIDENTIAL SERVICES, INC.				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				NA		18	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3099 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
<u>ADJUSTMENT TO REPORTED DIRECT COSTS</u>											
18	2	18	6	5	18	6	Utilities	*	\$444	(\$409)	\$35
	2	18	5	5	18	5	Utilities		0	409	409
	6	1	3	4	1	3	Elliot Program		0	183	183
	6	5	3	4	5	3	Marshall Program		0	42	42
	6	7	3	4	7	3	Squaw Program		0	184	184
							To directly allocate utility expenses to the appropriate facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.8, and 2304				