

**REPORT
ON THE
RATE SETTING AUDIT**

**ROBERTS ROAD HOUSE
PENNGROVE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1902839962**

**FISCAL PERIOD ENDED
JULY 31, 2011**

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

**Section Chief: Louise Wong
Audit Supervisor: Ken Phelan
Auditor: Bob Dailey**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 28, 2013

Denise Keeley
President/Chief Executive Officer
DuMolin Service Corporation
1455 North Dutton Avenue, Suite B
Santa Rosa, CA 95401

ROBERTS ROAD HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1902839962
FISCAL PERIOD ENDED JULY 31, 2011

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	\$	718,357	\$ 187.81
Net Audit Adjustment		<u>38,230</u>	<u>9.99</u>
Audited Cost/Cost Per Day	\$	<u>756,587</u>	\$ <u>197.80</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 Fee-For-Service Rates Development Division.

Denise Keeley
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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
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—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:
ROBERTS ROAD HOUSE

Fiscal Period:
AUGUST 1, 2010 THROUGH JULY 31, 2011

Provider NPI:
1902839962

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	0	0
2. Medi-Cal Managed Care Days (Adj)	3,825	3,825
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>3,825</u>	<u>3,825</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>718,357</u>	\$ <u>756,587</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>187.81</u>	\$ <u>197.80</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>0</u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ROBERTS ROAD HOUSE

Fiscal Period:
AUGUST 1, 2010 THROUGH JULY 31, 2011

Provider NPI:
1902839962

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		\$ 7,902	\$ 0	\$ 7,902
050	Leases and Rentals	1,2	27,858	(21,464)	6,394
055	Real Property Taxes		7,977	0	7,977
060	Personal Property Taxes		0	0	0
065	Mortgage Interest	2	0	27,858	27,858
070	Property Insurance		2,871	0	2,871
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 46,608	\$ 6,394	\$ 53,002
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 21,911	\$ 19,100	\$ 41,011
085	Utilities		24,371	0	24,371
090	Client Transportation (excluding Adult Day Services)		11,948	0	11,948
095	Dietary		24,868	0	24,868
100	Personal Care and Laundry		5,517	0	5,517
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 88,615	\$ 19,100	\$ 107,715
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 135,223	\$ 25,494	\$ 160,717
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,070	\$ 0	\$ 18,070
120	QMRP Fringe Benefits		11,153	0	11,153
125	Lead Salaries		29,978	0	29,978
130	Lead Fringe Benefits		14,369	0	14,369
135	Aides Salaries		245,792	0	245,792
140	Aides Fringe Benefits		68,007	0	68,007
145	Other Salaries		30,839	0	30,839
150	Other Fringe Benefits		7,555	0	7,555
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 425,763	\$ 0	\$ 425,763

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ROBERTS ROAD HOUSE

Fiscal Period:
AUGUST 1, 2010 THROUGH JULY 31, 2011

Provider NPI:
1902839962

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 3,338	\$ 0	\$ 3,338
165	Speech Pathology Consultant		0	0	0
170	Physical Therapy Consultant		0	0	0
175	Occupational Therapy Consultant		0	0	0
180	Pharmacist Consultant		315	0	315
185	Nurse Consultant		31,961	0	31,961
190	Psychologist Consultant		300	0	300
195	Physician Consultant	3	1,800	(1,650)	150
200	Recreational Consultant		0	0	0
205	Social Service Consultant		0	0	0
210	Other Consultant	3	0	20,780	20,780
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 37,714	\$ 19,130	\$ 56,844
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 5,029	\$ 0	\$ 5,029
225	Administrative Fringe Benefits		0	0	0
226	Quality Assurance Fees (excluding Adult Day Services)		42,485	0	42,485
230	Other General and Administrative*** (Excluding Adult Day Services)	1	72,143	(6,394)	65,749
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 119,657	\$ (6,394)	\$ 113,263
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 718,357	\$ 38,230	\$ 756,587
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 150,415	\$ 0	\$ 150,415
241	Adult Day Services and Related Transportation		0	0	0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 868,772	\$ 38,230	\$ 907,002

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** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI	Adjustments		
ROBERTS ROAD HOUSE							AUGUST 1, 2010 THROUGH JULY 31, 2011	1902839962	3		
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>											
1	4	050	4	2	050	3	Leases and Rentals	\$27,858	\$6,394	\$34,252 *	
	4.1	230	4	2	230	3	Other General and Administrative To reclassify lease expense to the appropriate cost center for proper cost determination. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2306	72,143	(6,394)	65,749	
2	4	050	4	2	050	3	Leases and Rentals	*	\$34,252	(\$27,858)	
	4	065	4	2	065	3	Mortgage Interest To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	0	27,858	27,858	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments	
ROBERTS ROAD HOUSE							AUGUST 1, 2010 THROUGH JULY 31, 2011	1902839962	3	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<u>ADJUSTMENT TO REPORTED COSTS</u>										
3	4.1	170	4	2	170	3	Physician Consultant	\$1,800	(\$1,650)	\$150
	4.1	210	4	2	210	3	Other Consultant	0	20,780	20,780
							To reconcile the reported expenses to agree with the provider's general ledger.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2300 and 2304			