

**REPORT
ON THE
RATE SETTING AUDIT**

**REDWOOD VALLEY FACILITY
REDWOOD VALLEY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1528273836**

**FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Louise Wong
Audit Supervisor: David Mui
Auditor: Ken Cui**



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



EDMUND G. BROWN JR.
GOVERNOR

January 24, 2013

Donald Pierce
Chief Financial Officer
Northern California Adaptive Living Center, Inc.
3028 Esplanade, Suite H
Chico, CA 95973-4924

REDWOOD VALLEY FACILITY
NATIONAL PROVIDER IDENTIFIER (NPI) 1528273836
FISCAL PERIOD ENDED JUNE 30, 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	\$	425,459	\$ 194.27
Net Audit Adjustment		<u>0</u>	<u>0.00</u>
Audited Cost/Cost Per Day	\$	<u>425,459</u>	\$ <u>194.27</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.

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.

Donald Pierce
Page 3

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:
REDWOOD VALLEY FACILITY

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1528273836

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>425,459</u>	\$ <u>425,459</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>194.27</u>	\$ <u>194.27</u>

SHARE OF COST

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

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:
REDWOOD VALLEY FACILITY

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1528273836

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		\$ 537	\$ 0	\$ 537
050	Leases and Rentals		17,400	0	17,400
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		3,736	0	3,736
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 21,673	\$ 0	\$ 21,673
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 12,304	\$ 0	\$ 12,304
085	Utilities		10,201	0	10,201
090	Client Transportation (excluding Adult Day Services)		1,960	0	1,960
095	Dietary		22,754	0	22,754
100	Personal Care and Laundry		11,167	0	11,167
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 58,386	\$ 0	\$ 58,386
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 80,059	\$ 0	\$ 80,059
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	1	\$ 15,047	\$ 87,741	\$ 102,788
120	QMRP Fringe Benefits	1	3,249	18,945	22,194
125	Lead Salaries		41,296	0	41,296
130	Lead Fringe Benefits		8,917	0	8,917
135	Aides Salaries		102,581	0	102,581
140	Aides Fringe Benefits		22,149	0	22,149
145	Other Salaries		7,005	0	7,005
150	Other Fringe Benefits		1,513	0	1,513
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 201,757	\$ 106,686	\$ 308,443

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
REDWOOD VALLEY FACILITY

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1528273836

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 450	\$ 0	\$ 450
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		150	0	150
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		1,190	0	1,190
185	Nurse Consultant	1	106,686	(106,686)	0
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 108,476	\$ (106,686)	\$ 1,790
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,313	0	22,313
230	Other General and Administrative*** (excluding Adult Day Services)		12,854	0	12,854
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 35,167	\$ 0	\$ 35,167
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 425,459	\$ 0	\$ 425,459
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 40,712	\$ 0	\$ 40,712
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 466,171	\$ 0	\$ 466,171

Page 2 of 2

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustment
REDWOOD VALLEY FACILITY							JULY 1, 2010 THROUGH JUNE 30, 2011	1528273836		1
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>RECLASSIFICATION OF REPORTED COSTS</u>										
1	4.1	115	4	2	115	3	QMRP Salaries	\$15,047	\$87,741	\$102,788
	4.1	120	4	2	120	3	QMRP Fringe Benefits	3,249	18,945	22,194
	4.1	185	4	2	185	3	Nurse Consultant	106,686	(106,686)	0
To reclassify RN salaries to the appropriate cost centers 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304										