

**REPORT
ON THE
RATE SETTING AUDIT**

**COLOMA
LOMA LINDA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1164606380**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Virat Shah
Auditor: Mary Anne Ruiz**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 6, 2013

Nancy Segaar, Treasurer
Ability Pathways, Inc.
1042 North Mountain Avenue, Suite B, Box 447
Upland, CA 91786-3695

COLOMA
NATIONAL PROVIDER IDENTIFIER (NPI) 1164606380
FISCAL PERIOD ENDED DECEMBER 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	\$	452,396	\$ 206.67
Net Audit Adjustment		(744)	(0.34)
Audited Cost/Cost Per Day	\$	<u>451,652</u>	\$ <u>206.33</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule
3. Audited Allocation of Home Office Cost

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.

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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:

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.

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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

cc: Samantha A. Parola, CPA
Wiebe & Associates
377 North Central Avenue
Upland, CA 91786

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

Provider:
COLOMA

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1164606380

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,189	2,189
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,189</u>	<u>2,189</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>452,396</u>	\$ <u>451,652</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>206.67</u>	\$ <u>206.33</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>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
COLOMA

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1164606380

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		\$ 1,319	\$	\$ 1,319
050	Leases and Rentals		26,400		26,400
055	Real Property Taxes		2,034		2,034
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		710		710
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 30,463	\$ 0	\$ 30,463
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 16,882	\$	\$ 16,882
085	Utilities		9,132		9,132
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		12,983		12,983
100	Personal Care and Laundry		2,002		2,002
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 40,999	\$ 0	\$ 40,999
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 71,462	\$ 0	\$ 71,462
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 25,422	\$	\$ 25,422
120	QMRP Fringe Benefits		4,949		4,949
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		135,664		135,664
140	Aides Fringe Benefits		26,410		26,410
145	Other Salaries		65,906		65,906
150	Other Fringe Benefits		12,830		12,830
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 271,181	\$ 0	\$ 271,181

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
COLOMA

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1164606380

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 891	\$	\$ 891
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,440		1,440
175	Occupational Therapy Consultant		990		990
180	Pharmacist Consultant		400		400
185	Nurse Consultant				0
190	Psychologist Consultant		720		720
195	Physician Consultant		4,500		4,500
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,941	\$ 0	\$ 8,941
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		20,221		20,221
230	Other General and Administrative*** Adult Day Services) (Excluding	1	80,591	(744)	79,847
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 100,812	\$ (744)	\$ 100,068
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 452,396	\$ (744)	\$ 451,652
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 452,396	\$ (744)	\$ 451,652

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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					
COLOMA		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1164606380		1					
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Col.	Sch.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report								
1	4.1	230	4	2	230	3			\$80,591	(\$744)	\$79,847
<p>Other General and Administrative To adjust reported home office costs to agree with the Ability Pathways, Inc., Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304</p>											