

**REPORT
ON THE
RATE SETTING AUDIT**

**EVERGREEN PROGRAM
WOODLAND, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1124237094**

**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: Olivia Huetter**



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



EDMUND G. BROWN JR.
GOVERNOR

June 27, 2013

Parminder Kajley, Administrator
Woodland Residential Services Inc.
1381 E. Gum Ave
Woodland, CA 95776

EVERGREEN PROGRAM
NATIONAL PROVIDER IDENTIFIER (NPI) 1124237094
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	\$	410,605	\$ 189.48
Net Audit Adjustment		<u>(32,681)</u>	<u>(15.08)</u>
Audited Cost/Cost Per Day	\$	<u>377,924</u>	\$ <u>174.40</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:

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—Sacramento at (916) 650-6994.

Original Signed By

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

Certified

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

Provider:
EVERGREEN PROGRAM

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

Provider NPI:
1124237094

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,167	2,167
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,167</u>	<u>2,167</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>410,605</u>	\$ <u>377,924</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>189.48</u>	\$ <u>174.40</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
EVERGREEN PROGRAM

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

Provider NPI:
1124237094

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		\$ 0	\$	\$ 0
050	Leases and Rentals	1	24,362	(1,874)	22,488
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,362	\$ (1,874)	\$ 22,488
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2,3	\$ 6,182	\$ (1,356)	\$ 4,826
085	Utilities		6,561		6,561
090	Client Transportation (excluding Adult Day Services)	4	1,490	(154)	1,336
095	Dietary		6,656		6,656
100	Personal Care and Laundry	5-7	7,353	(779)	6,574
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 28,242	\$ (2,289)	\$ 25,953
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 52,604	\$ (4,163)	\$ 48,441
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 7,203	\$	\$ 7,203
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		5,075		5,075
130	Lead Fringe Benefits		1,696		1,696
135	Aides Salaries	8	113,149	(11,099)	102,050
140	Aides Fringe Benefits	8	1,860	(27)	1,833
145	Other Salaries	8	78,349	(67)	78,282
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 207,332	\$ (11,193)	\$ 196,139

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
EVERGREEN PROGRAM

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

Provider NPI:
1124237094

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 990	\$	\$ 990
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		956		956
180	Pharmacist Consultant		0		0
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		1,100		1,100
200	Recreational Consultant		1,243		1,243
205	Social Service Consultant		0		0
210	Other Consultant		140		140
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,429	\$ 0	\$ 4,429
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		17,165		17,165
230	Other General and Administrative*** Adult Day Services	(Excluding 9	129,075	(17,325)	111,750
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 146,240	\$ (17,325)	\$ 128,915
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 410,605	\$ (32,681)	\$ 377,924
NON-CLIENT CARE EXPENSES			(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		179,560		179,560
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 590,165	\$ (32,681)	\$ 557,484

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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 Number		Adjustments	
EVERGREEN PROGRAM						JANUARY 1, 2011 THROUGH DECEMBER 31, 2011						1124237094		9	
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										
ADJUSTMENTS TO REPORTED COSTS															
1	4	50	4	2	50	3	Leases and Rentals To adjust rent expense to agree with the provider's records: 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304.	\$24,362	(\$1,874)	\$22,488					
	4	80	4	2	80	3	Home Operations and Maintenance	\$6,182							
2							To eliminate household supplies expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		(\$1,287)						
3							To eliminate household supplies used at other facilities. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3		(69)						
									(\$1,356)	\$4,826					
4	4	90	4	2	90	3	Client Transportation To eliminate gas and oil expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$1,490	(\$154)	\$1,336					
	4	100	4	2	100	3	Personal Care and Laundry	\$7,353							
5							To eliminate personal care expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		(\$387)						
6							To eliminate dental costs for individual patients not included in the rate. 42 CFR 413.9 / CMS Pub. 15-1, Section 2104.4 CCR, Title 22, Section 51510.3		(210)						
7							To eliminate personal care expenses used at other facilities. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3		(182)						
									(\$779)	\$6,574					
8	4.1	135	4	2	135	3	Aides Salaries	\$113,149	(\$11,099)	\$102,050					
	4.1	140	4	2	140	3	Aides Benefits	1,860	(27)	1,833					
	4.1	145	4	2	145	3	Other Salaries To reconcile the reported expenses to agree with the provider's payroll records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	78,349	(67)	78,282					

Provider Name						Fiscal Period		Provider Number		Adjustments
EVERGREEN PROGRAM						JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1124237094		9
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					
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
9	4.1	230	4	2	230	3	Other General and Administrative To adjust reported home office costs to agree with the Woodland Residential Services, Inc. Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304	\$129,075	(\$17,325)	\$111,750