

**REPORT
ON THE
RATE SETTING AUDIT**

**GENOA
UPLAND, 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

July 10, 2013

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

GENOA
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	\$	424,648	\$ 193.99
Net Audit Adjustment		(744)	(0.34)
Audited Cost/Cost Per Day	\$	<u>423,904</u>	\$ <u>193.65</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:
GENOA

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>424,648</u>	\$ <u>423,904</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>193.99</u>	\$ <u>193.65</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:
GENOA

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		\$ 4,198	\$	\$ 4,198
050	Leases and Rentals		32,109		32,109
055	Real Property Taxes		2,089		2,089
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance		881		881
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 39,277	\$ 0	\$ 39,277
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 10,552	\$	\$ 10,552
085	Utilities		6,818		6,818
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		11,713		11,713
100	Personal Care and Laundry		2,235		2,235
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 31,318	\$ 0	\$ 31,318
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 70,595	\$ 0	\$ 70,595
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,266	\$	\$ 14,266
120	QMRP Fringe Benefits		2,778		2,778
125	Lead Salaries		31,487		31,487
130	Lead Fringe Benefits		6,132		6,132
135	Aides Salaries		85,138		85,138
140	Aides Fringe Benefits		28,369		28,369
145	Other Salaries		46,234		46,234
150	Other Fringe Benefits		9,004		9,004
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 223,408	\$ 0	\$ 223,408

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GENOA

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		300		300
185	Nurse Consultant		15,690		15,690
190	Psychologist Consultant		3,240		3,240
195	Physician Consultant		3,480		3,480
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 26,031	\$ 0	\$ 26,031
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		23,540		23,540
230	Other General and Administrative*** (Excluding Adult Day Services)	1	81,074	(744)	80,330
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 104,614	\$ (744)	\$ 103,870
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 424,648	\$ (744)	\$ 423,904
	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)		\$ 424,648	\$ (744)	\$ 423,904

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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	
GENOA							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1164606380	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>ADJUSTMENT TO REPORTED COSTS</u>										
1	4.1	230	4	2	230	3	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 2105.2 and 2304	\$81,074	(\$744)	\$80,330