

**APPEAL RECOMPUTATION
OF THE
AUDIT REPORT**

**MAGNOLIA COMMUNITY HOME
ARROYO GRANDE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1568598969**

**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: Teresa Zapata**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

October 29, 2013

Board of Directors
ResCare, Incorporated
9901 Linn Station Road
Louisville, KY 40223-3808

In the Matter of:

MAGNOLIA COMMUNITY HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1568598969
FISCAL PERIOD ENDED DECEMBER 31, 2011
CASE NUMBER NF14-1211-078J-DG

Pursuant to the Office of Administrative Hearings and Appeals' Report of Findings dated October 2, 2013, the following revisions are made to the Medi-Cal audit report dated June 4, 2013.

SUMMARY OF REVISIONS

		<u>COST</u>	<u>COST PER DAY</u>
Audited Cost and Cost Per Day	\$	374,905	\$ 171.19
Revision		<u>175</u>	<u>0.08</u>
Revised Cost and Cost Per Day	\$	<u>375,080</u>	\$ <u>171.27</u>

Enclosed are the revised schedules detailing the results of the recomputation.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

cc: Steven B. Mowery
Vice President of Reimbursement

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

Provider:
MAGNOLIA COMMUNITY HOME

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

Provider NPI:
1568598969

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

	AS AUDITED	AS REVISED
1. Medi-Cal Client Days (Rev)	2,190	2,190
2. Medi-Cal Managed Care Days (Rev)	0	0
3. Other Client Days (Rev)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>374,905</u>	\$ <u>375,080</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>171.19</u>	\$ <u>171.27</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Rev)	\$ <u>0</u>	\$ <u>0</u>
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OVERPAYMENTS

1. Duplicate Payments (Rev)	\$ <u>0</u>	\$ <u>0</u>
2. Credit Balances (Rev)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF REVISED FACILITY EXPENSES

Provider:
MAGNOLIA COMMUNITY HOME

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

Provider NPI:
1568598969

Line No.	DESCRIPTION	REV NO.	AS AUDITED Col. 1	APPEAL REVISIONS Col. 2	AS REVISED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 6,799	\$	\$ 6,799
050	Leases and Rentals		32,054		32,054
055	Real Property Taxes		2,256		2,256
060	Personal Property Taxes		488		488
065	Mortgage Interest		0		0
070	Property Insurance		1,469		1,469
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 43,066	\$ 0	\$ 43,066
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,207	\$	\$ 5,207
085	Utilities		6,368		6,368
090	Client Transportation (excluding Adult Day Services)		2,306		2,306
095	Dietary		4,797		4,797
100	Personal Care and Laundry	1	4,388	175	4,563
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 23,066	\$ 175	\$ 23,241
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 66,132	\$ 175	\$ 66,307
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 6,415	\$	\$ 6,415
120	QMRP Fringe Benefits		2,138		2,138
125	Lead Salaries		9,966		9,966
130	Lead Fringe Benefits		1,782		1,782
135	Aides Salaries		108,794		108,794
140	Aides Fringe Benefits		25,311		25,311
145	Other Salaries		62,901		62,901
150	Other Fringe Benefits		16,475		16,475
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 233,782	\$ 0	\$ 233,782

SUMMARY OF REVISED FACILITY EXPENSES

Provider:
MAGNOLIA COMMUNITY HOME

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

Provider NPI:
1568598969

Line No.	DESCRIPTION	REV NO.	AS AUDITED Col. 1	APPEAL REVISIONS Col. 2	AS REVISED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,092	\$	\$ 1,092
165	Speech Pathology Consultant		276		276
170	Physical Therapy Consultant		118		118
175	Occupational Therapy Consultant		344		344
180	Pharmacist Consultant		0		0
185	Nurse Consultant		198		198
190	Psychologist Consultant		1,758		1,758
195	Physician Consultant		1,764		1,764
200	Recreational Consultant		1,281		1,281
205	Social Service Consultant		0		0
210	Other Consultant		279		279
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,110	\$ 0	\$ 7,110
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 6,864	\$	\$ 6,864
225	Administrative Fringe Benefits		3,092		3,092
226	Quality Assurance Fees (excluding Adult Day Services)		25,514		25,514
230	Other General and Administrative*** (Excluding Adult Day Services)		32,411		32,411
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 67,881	\$ 0	\$ 67,881
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 374,905	\$ 175	\$ 375,080
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		199,250		199,250
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 574,155	\$ 175	\$ 574,330

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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		Revisions	
MAGNOLIA COMMUNITY HOME				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1568598969		1	
Report References							Explanation of Appeal Revisions	As Audited	Increase (Decrease)	As Revised
Audit Report			Revised Audit Report							
Rev. No.	Sch.	Line	Col.	Sch.	Line	Col.				
<u>REVISION TO AUDITED COSTS</u>										
1	2	100	3	2	100	3	Personal Care and Laundry Revision to adjustment 1. To adjust Pharmacy expense based upon the Appeals' Report of Findings, Case No. NF14-1211-078J-DG, Issue No. 3.	\$4,388	\$175	\$4,563