

**REPORT
ON THE
RATE SETTING AUDIT**

**NORTH PROGRAM
WOODLAND, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1033328901**

**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**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 28, 2013

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

NORTH PROGRAM
NATIONAL PROVIDER IDENTIFIER (NPI) 1033328901
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	\$	381,771	\$ 182.58
Net Audit Adjustment		<u>(36,378)</u>	<u>(17.40)</u>
Audited Cost/Cost Per Day	\$	<u>345,393</u>	\$ <u>165.18</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:
NORTH PROGRAM

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

Provider NPI:
1033328901

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,091	2,091
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,091</u>	<u>2,091</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>381,771</u>	\$ <u>345,393</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>182.58</u>	\$ <u>165.18</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
OVERPAYMENTS		
1. Duplicate Payments (Adj)	\$ <u> </u>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u> </u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
NORTH PROGRAM

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

Provider NPI:
1033328901

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	1,2	6,468	(6,468)	0
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)		\$ 6,468	\$ (6,468)	\$ 0
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3,4	\$ 7,362	\$ (2,262)	\$ 5,100
085	Utilities		7,808		7,808
090	Client Transportation (excluding Adult Day Services)	5	1,200	(139)	1,061
095	Dietary		9,190		9,190
100	Personal Care and Laundry	6	8,069	(70)	7,999
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 33,629	\$ (2,471)	\$ 31,158
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 40,097	\$ (8,939)	\$ 31,158
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 7,203	\$	\$ 7,203
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		19,785		19,785
130	Lead Fringe Benefits	7	207	(118)	89
135	Aides Salaries	7	98,226	(10,474)	87,752
140	Aides Fringe Benefits	7	1,661	(130)	1,531
145	Other Salaries		69,889		69,889
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 196,971	\$ (10,722)	\$ 186,249

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
NORTH PROGRAM

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 825	\$	\$ 825
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		470		470
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		1,540		1,540
205	Social Service Consultant		0		0
210	Other Consultant		133		133
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,068	\$ 0	\$ 4,068
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		17,781		17,781
230	Other General and Administrative*** (Excluding Adult Day Services)	8	122,854	(16,717)	106,137
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 140,635	\$ (16,717)	\$ 123,918
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 381,771	\$ (36,378)	\$ 345,393
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		186,150		186,150
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 567,921	\$ (36,378)	\$ 531,543

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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
NORTH PROGRAM						JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1033328901		8
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										
	4	50	4	2	50	3	Leases and Rentals	\$6,468		
1							To eliminate lease expense due to lack of documentatio 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 230.		(\$4,266)	
2							To eliminate lease expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		(2,202)	
									(\$6,468)	\$0
	4	80	4	2	80	3	Home Operations and Maintenance	\$7,362		
3							To eliminate maintenance and repair expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		(\$2,049)	
4							To eliminate cat food expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3		(213)	
									(\$2,262)	\$5,100
5	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	\$1,200	(\$139)	\$1,061
6	4	100	4	2	100	3	Personal Care and Laundry 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	\$8,069	(\$70)	\$7,999
7	4.1	130	4	2	130	3	Lead Benefits	\$207	(\$118)	\$89
	4.1	135	4	2	135	3	Aides Salaries	98,226	(10,474)	87,752
	4.1	140	4	2	140	3	Aides Benefits To adjust the reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	1,661	(130)	1,531

Provider Name						Fiscal Period		Provider Number		Adjustments
NORTH PROGRAM						JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1033328901		8
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>										
8	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	\$122,854	(\$16,717)	\$106,137