

**REPORT
ON THE
RATE SETTING AUDIT**

**THE PIKE
ARROYO GRANDE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1033246681**

**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

June 18, 2013

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

THE PIKE
NATIONAL PROVIDER IDENTIFIER (NPI) 1033246681
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	\$	316,733	\$ 144.96
Net Audit Adjustment		(272)	(0.13)
Audited Cost/Cost Per Day	\$	<u>316,461</u>	\$ <u>144.83</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.

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.

Board of Directors
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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: Steven B. Mowery
Vice President of Reimbursement

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

Provider:
THE PIKE

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

Provider NPI:
1033246681

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,185	2,185
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,185</u>	<u>2,185</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>316,733</u>	\$ <u>316,461</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>144.96</u>	\$ <u>144.83</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:
THE PIKE

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

Provider NPI:
1033246681

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		\$ 1,001	\$	\$ 1,001
050	Leases and Rentals		42,949		42,949
055	Real Property Taxes		2,352		2,352
060	Personal Property Taxes		447		447
065	Mortgage Interest				0
070	Property Insurance		1,809		1,809
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 48,558	\$ 0	\$ 48,558
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 3,277	\$	\$ 3,277
085	Utilities		9,620		9,620
090	Client Transportation (excluding Adult Day Services)		1,939		1,939
095	Dietary		11,453		11,453
100	Personal Care and Laundry		7,353		7,353
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 33,642	\$ 0	\$ 33,642
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 82,200	\$ 0	\$ 82,200
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 5,394	\$	\$ 5,394
120	QMRP Fringe Benefits		1,798		1,798
125	Lead Salaries		9,733		9,733
130	Lead Fringe Benefits		1,326		1,326
135	Aides Salaries		109,887		109,887
140	Aides Fringe Benefits		27,301		27,301
145	Other Salaries		11,528		11,528
150	Other Fringe Benefits		4,016		4,016
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 170,983	\$ 0	\$ 170,983

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
THE PIKE

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

Provider NPI:
1033246681

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 795	\$	\$ 795
165	Speech Pathology Consultant		5		5
170	Physical Therapy Consultant		99		99
175	Occupational Therapy Consultant		504		504
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		1,895		1,895
195	Physician Consultant		1,756		1,756
200	Recreational Consultant		1,184		1,184
205	Social Service Consultant				0
210	Other Consultant		179		179
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,417	\$ 0	\$ 6,417
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 4,677	\$	\$ 4,677
225	Administrative Fringe Benefits		2,600		2,600
226	Quality Assurance Fees (excluding Adult Day Services)		22,325		22,325
230	Other General and Administrative*** (Excluding Adult Day Services)	1	27,531	(272)	27,259
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 57,133	\$ (272)	\$ 56,861
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 316,733	\$ (272)	\$ 316,461
NON-CLIENT CARE EXPENSES			(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		245,869		245,869
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 562,602	\$ (272)	\$ 562,330

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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	Adjustments	
THE PIKE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1033246681	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 Rescare, 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	\$27,531	(\$272)	\$27,259