

**REPORT  
ON THE  
RATE SETTING AUDIT**

**CARRICK HOUSE  
RIVERSIDE, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1396872792**

**FISCAL PERIOD ENDED  
JUNE 30, 2012**

**Audits Section—Rancho Cucamonga  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Julio M. Cueto  
Audit Supervisor: Bina Matani  
Auditor: Robert Neely**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 26, 2013

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

CARRICK HOUSE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1396872792  
FISCAL PERIOD ENDED JUNE 30, 2012

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	\$	334,311	\$ 165.83
Net Audit Adjustment		(242)	(0.12)
Audited Cost/Cost Per Day	\$	<u>334,069</u>	\$ <u>165.71</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:**  
CARRICK HOUSE

**Fiscal Period:**  
JULY 1, 2011 THROUGH JUNE 30, 2012

**Provider NPI:**  
1396872792

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,016	2,016
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,016</u>	<u>2,016</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>334,311</u>	\$ <u>334,069</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>165.83</u>	\$ <u>165.71</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>	\$ <u>0</u>
2. Credit Balances (Adj )	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CARRICK HOUSE

Fiscal Period:  
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:  
1396872792

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 1,962	\$	\$ 1,962
050	Leases and Rentals		26,921		26,921
055	Real Property Taxes				0
060	Personal Property Taxes		295		295
065	Mortgage Interest				0
070	Property Insurance		1,044		1,044
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 30,222	\$ 0	\$ 30,222
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 12,765	\$	\$ 12,765
085	Utilities		6,967		6,967
090	Client Transportation (excluding Adult Day Services)		12,712		12,712
095	Dietary		14,149		14,149
100	Personal Care and Laundry		5,954		5,954
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 52,547	\$ 0	\$ 52,547
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 82,769	\$ 0	\$ 82,769
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 8,278	\$	\$ 8,278
120	QMRP Fringe Benefits		2,426		2,426
125	Lead Salaries		19,096		19,096
130	Lead Fringe Benefits		7,280		7,280
135	Aides Salaries		95,485		95,485
140	Aides Fringe Benefits		22,593		22,593
145	Other Salaries		14,493		14,493
150	Other Fringe Benefits		4,423		4,423
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 174,074	\$ 0	\$ 174,074

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
CARRICK HOUSE

Fiscal Period:  
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:  
1396872792

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,354	\$	\$ 1,354
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,519		1,519
175	Occupational Therapy Consultant		959		959
180	Pharmacist Consultant		784		784
185	Nurse Consultant				0
190	Psychologist Consultant		1,285		1,285
195	Physician Consultant		275		275
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,176	\$ 0	\$ 6,176
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 11,735	\$	\$ 11,735
225	Administrative Fringe Benefits		4,498		4,498
226	Quality Assurance Fees (excluding Adult Day Services)		20,593		20,593
230	Other General and Administrative*** (Excluding Adult Day Services)	1,2	34,466	(242)	34,224
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 71,292	\$ (242)	\$ 71,050
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 334,311	\$ (242)	\$ 334,069
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		88,705		88,705
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 423,016	\$ (242)	\$ 422,774

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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	
CARRICK HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1396872792	2	
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				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
	4.1	230	4	2	230	3	Other General and Administrative	\$34,466		
1							To eliminate lobby fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2139, 2300, and 2304		(\$116)	
2							To adjust reported home office costs to agree with the ResCare, Inc., Home Office Audit Report for fiscal period ended June 30, 2012. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		(126) (\$242)	\$34,224