

**REPORT
ON THE
RATE SETTING AUDIT**

**RCCA – CHIMANGO COURT
ANTELOPE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1447386362**

**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: 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

June 27, 2013

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

RCCA – CHIMANGO COURT
NATIONAL PROVIDER IDENTIFIER (NPI) 1447386362
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	\$	308,820	\$ 140.63
Net Audit Adjustment		(229)	(0.11)
Audited Cost/Cost Per Day	\$	<u>308,591</u>	\$ <u>140.52</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:
RCCA - CHIMANGO COURT

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

Provider NPI:
1447386362

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,196</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>308,820</u>	\$ <u>308,591</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>140.63</u>	\$ <u>140.52</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:
RCCA - CHIMANGO COURT

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

Provider NPI:
1447386362

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		\$ 9,744	\$	\$ 9,744
050	Leases and Rentals		1,273		1,273
055	Real Property Taxes		3,634		3,634
060	Personal Property Taxes		128		128
065	Mortgage Interest				0
070	Property Insurance		1,966		1,966
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 16,745	\$ 0	\$ 16,745
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,685	\$	\$ 4,685
085	Utilities		7,808		7,808
090	Client Transportation (excluding Adult Day Services)		8,432		8,432
095	Dietary		9,792		9,792
100	Personal Care and Laundry		3,915		3,915
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 34,632	\$ 0	\$ 34,632
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 51,377	\$ 0	\$ 51,377
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 8,920	\$	\$ 8,920
120	QMRP Fringe Benefits		2,741		2,741
125	Lead Salaries		28,588		28,588
130	Lead Fringe Benefits		7,520		7,520
135	Aides Salaries		92,674		92,674
140	Aides Fringe Benefits		25,912		25,912
145	Other Salaries		15,794		15,794
150	Other Fringe Benefits		3,977		3,977
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 186,126	\$ 0	\$ 186,126

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RCCA - CHIMANGO COURT

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

Provider NPI:
1447386362

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 511	\$	\$ 511
165	Speech Pathology Consultant		283		283
170	Physical Therapy Consultant		19		19
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		1,430		1,430
200	Recreational Consultant		510		510
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 2,753	\$ 0	\$ 2,753
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 6,380	\$	\$ 6,380
225	Administrative Fringe Benefits		3,266		3,266
226	Quality Assurance Fees (excluding Adult Day Services)		22,393		22,393
230	Other General and Administrative*** (Excluding Adult Day Services)	1, 2	36,525	(229)	36,296
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,564	\$ (229)	\$ 68,335
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 308,820	\$ (229)	\$ 308,591
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 10	\$	\$ 10
241	Adult Day Services and Related Transportation		213,614		213,614
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 522,444	\$ (229)	\$ 522,215

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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
RCCA - CHIMANGO COURT							JULY 1, 2011 THROUGH JUNE 30, 2012		1447386362		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					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
	4.1	230	4	2	230	3	Other General and Administrative	\$36,525			
1							To eliminate political contributions not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2139, 2300, and 2304		(\$103)		
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) (\$229)	\$36,296	