

**REPORT
ON THE
RATE SETTING AUDIT**

**ACRE – DD HOMES
NORTH HILLS, CALIFORNIA
PROVIDER NPI: 1861617169**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

**Audits Section - Burbank
Financial Audits Branch
Audits and Investigations
California Department of Health Care Services**

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Henry Kwan
Auditor: Miriam Dau**



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



EDMUND G. BROWN JR
GOVERNOR

November 22, 2011

Edna Ramos, Controller
The Help Group / Project Six
13130 Burbank Boulevard
Sherman Oaks, California 91401

PROVIDER: ACRE - DD HOMES
PROVIDER NPI: 1861617169
FISCAL PERIOD ENDED JUNE 30, 2010

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	\$	364,086	\$ 166.25
Net Audit Adjustment		<u>(2,898)</u>	<u>(1.32)</u>
Audited Cost/Cost Per Day	\$	<u>361,188</u>	\$ <u>164.93</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 Rate Development Branch.

Edna Ramos
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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
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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 95899-7413

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 95814-5005
(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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
ACRE - DD HOMES

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1861617169

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 6)	0	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>364,086</u>	\$ <u>361,188</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>166.25</u>	\$ <u>164.93</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:
ACRE - DD HOMES

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1861617169

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		\$ 792	\$	\$ 792
050	Leases and Rentals		3,324		3,324
055	Real Property Taxes		0		0
060	Personal Property Taxes		0		0
065	Mortgage Interest		9,378		9,378
070	Property Insurance	1	3,876	(699)	3,177
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 17,370	\$ (699)	\$ 16,671
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 1,308	\$	\$ 1,308
085	Utilities		0		0
090	Client Transportation (excluding Adult Day Services)		0		0
095	Dietary		15,109		15,109
100	Personal Care and Laundry	2	16,349	(799)	15,550
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,766	\$ (799)	\$ 31,967
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 50,136	\$ (1,498)	\$ 48,638
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,609	\$	\$ 14,609
120	QMRP Fringe Benefits		2,373		2,373
125	Lead Salaries		160,966		160,966
130	Lead Fringe Benefits		26,147		26,147
135	Aides Salaries		0		0
140	Aides Fringe Benefits		0		0
145	Other Salaries		18,838		18,838
150	Other Fringe Benefits		3,060		3,060
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 225,993	\$ 0	\$ 225,993

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
ACRE - DD HOMES

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1861617169

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 0	\$	\$ 0
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant	3	868	(868)	0
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant	4	724	(67)	657
205	Social Service Consultant		0		0
210	Other Consultant		1,200		1,200
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 2,792	\$ (935)	\$ 1,857
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 33,522	\$	\$ 33,522
225	Administrative Fringe Benefits		5,445		5,445
226	Quality Assurance Fees (excluding Adult Day Services)		22,197		22,197
230	Other General and Administrative*** (Excluding Adult Day Services)	5	24,001	(465)	23,536
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 85,165	\$ (465)	\$ 84,700
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 364,086	\$ (2,898)	\$ 361,188
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$ 12,188	\$	\$ 12,188
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 376,274	\$ (2,898)	\$ 373,376

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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						
ACRE - DD HOMES		JULY 1, 2009 THROUGH JUNE 30, 2010		1861617169		6						
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Col	Sch.	Line	Col	As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Audit Report									
ADJUSTMENTS TO REPORTED COSTS												
1	4	70	4	2	70	1	Property Insurance To eliminate insurance expense related to directors and officers due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$3,876	(\$699)	\$3,177	
2	4	100	4	2	100	1	Personal Care and Laundry To eliminate prescription drugs and physician fees not included in the rate. CCR, Title 22, Section 51510.2(b)		\$16,349	(\$799)	\$15,550	
3	4	180	4	2	180	1	Pharmacist Consultant To eliminate pharmacy consultant fees due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$868	(\$868)	\$0	
4	4	200	4	2	200	1	Recreational Consultant To adjust recreational consultant expense to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304		\$724	(\$67)	\$657	
5	4	230	4	2	230	1	Other General and Administrative To adjust home office costs to agree with the filed The Help Group home office cost report for fiscal period ended June 30, 2010. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304		\$24,001	(\$465)	\$23,536	

Provider Name		Fiscal Period		Provider NPI		Adjustments					
ACRE - DD HOMES		JULY 1, 2009 THROUGH JUNE 30, 2010		1861617169		6					
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report								
6	2	3	1	1	1	1	1	1	0	2,190	2,190
<p>Medi-Cal Client Days</p> <p>To adjust total Medi-Cal client days to agree with the provider's census reports.</p> <p>42 CFR 413.20 and 413.50 / CMS Pub. 15-1, Sections 2205 and 2304</p> <p>ADJUSTMENT TO REPORTED PATIENT DAYS</p>											