

**REPORT
ON THE
RATE SETTING AUDIT**

**LAS CASAS HOME
CLAREMONT, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1124155494**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

**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: Emmanuel Ypil**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

January 25, 2012

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

LAS CASAS HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1124155494
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	384,421	\$ 234.83
Net Audit Adjustment		(3,493)	(2.13)
Audited Cost/Cost Per Day	\$	<u>380,928</u>	\$ <u>232.70</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 Medi-Cal Benefits, Waiver Analysis and Rates 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—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:
LAS CASAS HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1124155494

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,637	1,637
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>1,637</u>	<u>1,637</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>384,421</u>	\$ <u>380,928</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>234.83</u>	\$ <u>232.70</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> </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:
LAS CASAS HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1124155494

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	\$ 7,444	\$ (2,263)	\$ 5,181
050	Leases and Rentals		32,956		32,956
055	Real Property Taxes		4,297		4,297
060	Personal Property Taxes		157		157
065	Mortgage Interest				0
070	Property Insurance		2,131		2,131
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 46,985	\$ (2,263)	\$ 44,722
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,385		\$ 8,385
085	Utilities		11,848		11,848
090	Client Transportation (excluding Adult Day Services)		15,468		15,468
095	Dietary		16,474		16,474
100	Personal Care and Laundry		7,312		7,312
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 59,487	\$ 0	\$ 59,487
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 106,472	\$ (2,263)	\$ 104,209
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,006		\$ 12,006
120	QMRP Fringe Benefits		4,576		4,576
125	Lead Salaries		27,236		27,236
130	Lead Fringe Benefits		8,738		8,738
135	Aides Salaries		103,674		103,674
140	Aides Fringe Benefits		25,234		25,234
145	Other Salaries		7,153		7,153
150	Other Fringe Benefits		1,950		1,950
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 190,567	\$ 0	\$ 190,567

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LAS CASAS HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1124155494

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 592	\$	\$ 592
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,625		1,625
175	Occupational Therapy Consultant		1,330		1,330
180	Pharmacist Consultant		768		768
185	Nurse Consultant		10,485		10,485
190	Psychologist Consultant		1,945		1,945
195	Physician Consultant		2,100		2,100
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		260		260
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 19,105	\$ 0	\$ 19,105
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 12,186	\$	\$ 12,186
225	Administrative Fringe Benefits		4,811		4,811
226	Quality Assurance Fees (excluding Adult Day Services)		16,724		16,724
230	Other General and Administrative*** Adult Day Services) (Excluding	2	34,556	(1,230)	33,326
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,277	\$ (1,230)	\$ 67,047
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 384,421	\$ (3,493)	\$ 380,928
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 384,421	\$ (3,493)	\$ 380,928

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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	
LAS CASAS HOME		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010				1124155494		2	
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Audit Report	Line	Col				
		Line	Col.	Sch.	Line	Col			
1	4	045	4	2	045	3	\$7,444	\$5,181	
Depreciation and Amortization To adjust for a change in useful life to agree with the American Hospital Association Guidelines. 42 CFR 413.20, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 104.17, 104.18, 122, 2300, and 2302.4									
2	4.1	230	4	2	230	3	\$34,556	\$33,326	
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, 2010. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304									