

**REPORT
ON THE
RATE SETTING AUDIT**

**RCCA – GATEWOOD DRIVE
MODESTO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1528193828**

**FISCAL PERIOD ENDED
JUNE 30, 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: Mary Anne Ruiz**



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

RCCA – GATEWOOD DRIVE
NATIONAL PROVIDER IDENTIFIER (NPI) 1528193828
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	\$	398,232	\$ 220.87
Net Audit Adjustment		<u>5,135</u>	<u>2.85</u>
Audited Cost/Cost Per Day	\$	<u>403,367</u>	\$ <u>223.72</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:
RCCA - GATEWOOD DRIVE

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

Provider NPI:
1528193828

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,803	1,803
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>1,803</u>	<u>1,803</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>398,232</u>	\$ <u>403,367</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>220.87</u>	\$ <u>223.72</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:
RCCA - GATEWOOD DRIVE

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

Provider NPI:
1528193828

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		\$ 4,310	\$	\$ 4,310
050	Leases and Rentals		30,938		30,938
055	Real Property Taxes	1	(2,944)	5,262	2,318
060	Personal Property Taxes	1	14	136	150
065	Mortgage Interest				0
070	Property Insurance		1,640		1,640
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 33,958	\$ 5,398	\$ 39,356
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,166	\$	\$ 4,166
085	Utilities		7,351		7,351
090	Client Transportation (excluding Adult Day Services)		5,135		5,135
095	Dietary		6,701		6,701
100	Personal Care and Laundry		12,860		12,860
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 36,213	\$ 0	\$ 36,213
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 70,171	\$ 5,398	\$ 75,569
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,210	\$	\$ 10,210
120	QMRP Fringe Benefits		3,558		3,558
125	Lead Salaries		31,649		31,649
130	Lead Fringe Benefits		7,214		7,214
135	Aides Salaries		91,333		91,333
140	Aides Fringe Benefits		23,185		23,185
145	Other Salaries		65,670		65,670
150	Other Fringe Benefits		17,904		17,904
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 250,723	\$ 0	\$ 250,723

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RCCA - GATEWOOD DRIVE

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

Provider NPI:
1528193828

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 836	\$	\$ 836
165	Speech Pathology Consultant		353		353
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		1,200		1,200
190	Psychologist Consultant		250		250
195	Physician Consultant		268		268
200	Recreational Consultant	2	1,317	(195)	1,122
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,224	\$ (195)	\$ 4,029
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 12,272	\$	\$ 12,272
225	Administrative Fringe Benefits		3,197		3,197
226	Quality Assurance Fees (excluding Adult Day Services)		20,998		20,998
230	Other General and Administrative*** (Excluding Adult Day Services)	3	36,647	(68)	36,579
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 73,114	\$ (68)	\$ 73,046
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 398,232	\$ 5,135	\$ 403,367
	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)		\$ 398,232	\$ 5,135	\$ 403,367

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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 - GATEWOOD DRIVE		JULY 1, 2009 THROUGH JUNE 30, 2010				1528193828		3		
Adj. No.	DHS 3076 Page or Exhibit	Report References				Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Line	Col.	Sch.					
ADJUSTMENTS TO REPORTED COSTS										
1	4	055	4	2	055	3	Real Property Taxes	(\$2,944)	\$5,262	\$2,318
	4	060	4	2	060	3	Personal Property Taxes To reflect the proper accrual of property taxes applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1	14	136	150
2	4.1	200	4	2	200	3	Recreational Consultant To eliminate recreational consultant expenses included in the cost report that were for a related facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,317	(\$195)	\$1,122
3	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 the fiscal period ended June 30, 2010. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	\$36,647	(\$68)	\$36,579