

**REPORT
ON THE
RATE SETTING AUDIT**

**DANNY'S PLACE
SANTA ROSA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1902839962**

**FISCAL PERIOD ENDED
JULY 31, 2010**

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

**Section Chief: Louise Wong
Audit Supervisor: David Mui
Auditor: Philip Chang**



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



EDMUND G. BROWN JR.
GOVERNOR

January 23, 2012

Denise Keeley
President/Chief Executive Officer
DuMolin Service Corporation
1455 N. Dutton Avenue, Suite B
Santa Rosa, CA 95401

DANNY'S PLACE
NATIONAL PROVIDER IDENTIFIER (NPI) 1902839962
FISCAL PERIOD ENDED JULY 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	\$	478,458	\$ 218.47
Net Audit Adjustment		<u>3,136</u>	<u>1.44</u>
Audited Cost/Cost Per Day	\$	<u>481,594</u>	\$ <u>219.91</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Denise Keeley
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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:

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

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

Provider:
DANNY'S PLACE

Fiscal Period:
AUGUST 1, 2009 THROUGH JULY 31, 2010

Provider NPI:
1902839962

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adjs 5,6)	2,190	334
2. Medi-Cal Managed Care Days (Adj 5)	0	1,824
3. Other Client Days (Adj 6)	0	32
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>478,458</u>	\$ <u>481,594</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>218.47</u>	\$ <u>219.91</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:
DANNY'S PLACE

Fiscal Period:
AUGUST 1, 2009 THROUGH JULY 31, 2010

Provider NPI:
1902839962

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	3	\$ 2,862	\$ 14,799	\$ 17,661
050	Leases and Rentals	1	16,735	(16,735)	0
055	Real Property Taxes		7,417	0	7,417
060	Personal Property Taxes				0
065	Mortgage Interest	2	0	7,810	7,810
070	Property Insurance		2,406	0	2,406
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 29,420	\$ 5,874	\$ 35,294
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 7,231	\$ 0	\$ 7,231
085	Utilities		20,064	0	20,064
090	Client Transportation (excluding Adult Day Services)	4	8,054	(2,738)	5,316
095	Dietary		14,140	0	14,140
100	Personal Care and Laundry		3,053	0	3,053
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 52,542	\$ (2,738)	\$ 49,804
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 81,962	\$ 3,136	\$ 85,098
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,497	\$ 0	\$ 12,497
120	QMRP Fringe Benefits		4,373	0	4,373
125	Lead Salaries		42,674	0	42,674
130	Lead Fringe Benefits		12,417	0	12,417
135	Aides Salaries		191,754	0	191,754
140	Aides Fringe Benefits		45,134	0	45,134
145	Other Salaries		11,777	0	11,777
150	Other Fringe Benefits		2,344	0	2,344
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 322,970	\$ 0	\$ 322,970

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DANNY'S PLACE

Fiscal Period:
AUGUST 1, 2009 THROUGH JULY 31, 2010

Provider NPI:
1902839962

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,575	\$ 0	\$ 1,575
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,710	0	1,710
180	Pharmacist Consultant		280	0	280
185	Nurse Consultant		22,590	0	22,590
190	Psychologist Consultant				0
195	Physician Consultant		900	0	900
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 27,055	\$ 0	\$ 27,055
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 3,446	\$ 0	\$ 3,446
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)				0
230	Other General and Administrative*** (excluding Adult Day Services)		43,025	0	43,025
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 46,471	\$ 0	\$ 46,471
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 478,458	\$ 3,136	\$ 481,594
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
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)		\$ 478,458	\$ 3,136	\$ 481,594

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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				
DANNY'S PLACE		AUGUST 1, 2009 THROUGH JULY 31, 2010		1902839962		6				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
		Line	Col.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS										
1	4	050	4	2	050	3	Leases and Rentals To eliminate lease expenses paid to a related party. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	\$16,735	(\$16,735)	\$0
2	4	065	4	2	065	3	Mortgage Interest To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	\$0	\$7,810	\$7,810
3	4	045	4	2	045	3	Depreciation and Amortization To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	\$2,862	\$14,799	\$17,661
4	4	090	4	2	090	3	Client Transportation To eliminate automobile expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$8,054	(\$2,738)	\$5,316

Provider Name		Fiscal Period		Provider NPI		Adjustments			
DANNY'S PLACE		AUGUST 1, 2009 THROUGH JULY 31, 2010		1902839962		6			
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Sch.	Col.					
ADJUSTMENTS TO REPORTED PATIENT DAYS									
5	2	3	1	1	2	2	2,190	(1,824)	366 *
	2	3	2	1	2	2	0	1,824	1,824
Medi-Cal Client Days Medi-Cal Managed Care Days To include Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304									
6	2	3	1	1	2	2	366	(32)	334
	2	3	3	1	2	2	0	32	32
Medi-Cal Client Days Other Client Days To adjust reported Medi-Cal Client days and Other Client days to agree with the provider's records and the following Fiscal Intermediary Payment Data: Service Period: August 1, 2009 through July 31, 2010 Payment Period: August 1, 2009 through November 17, 2011 Report Date: November 18, 2011 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541									

*Balance carried forward from prior/to subsequent adjustments