

**REPORT
ON THE
RATE SETTING AUDIT**

**GENESIS DEVELOPMENTAL SERVICES - MOONCREST
SANTA MARIA, CALIFORNIA
PROVIDER NUMBER: LTC80293F
NATIONAL PROVIDER IDENTIFIER: 1043206576**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Maria Delgado
Audit Supervisor: Cyrus C. Lam
Auditor: Nancy Nguyen**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN, JR.
GOVERNOR

November 7, 2011

Denise Tiller, Administrator
Genesis Developmental Services - Mooncrest
273 Mooncrest Lane
Santa Maria, CA 93455

NOTICE OF MEDI-CAL FIELD AUDIT
PROVIDER: GENESIS DEVELOPMENTAL SERVICES - MOONCREST
PROVIDER NO.: LTC80293F
NATIONAL PROVIDER IDENTIFIER: 1043206576
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	\$	578,238		\$ 270.58
Net Audit Adjustment		<u>(26,480)</u>		<u>(11.05)</u>
Audited Cost/Cost Per Day	\$	<u>551,758</u>		\$ <u>259.53</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.

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.

Denise Tiller
Page 3

If you have questions regarding this report, you may call the Audits Section—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

cc: John Furr, Controller
Genesis Developmental Services Corporation
197 North 10th Street
Grover Beach, CA 93433-2159

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

Provider:
GENESIS DEVELOPMENTAL SERVICES - MOONCREST

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

Provider NPI:
1043206576

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	_____	_____ 0
2. Medi-Cal Managed Care Days (Adj 6)	_____ 2,137	_____ 2,126
3. Other Client Days (Adj)	_____	_____ 0
4. Total Client Days	<u>_____ 2,137</u>	<u>_____ 2,126</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>_____ 578,238</u>	\$ <u>_____ 551,758</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>_____ 270.58</u>	\$ <u>_____ 259.53</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>_____ NA</u>	\$ <u>_____ 0</u>
--	--------------------	-------------------

OVERPAYMENTS

1. Duplicate Payments (Adj)	\$ _____	\$ _____ 0
2. Credit Balances (Adj)	\$ _____	\$ _____ 0
3. Total Overpayments	\$ <u>_____ 0</u>	\$ <u>_____ 0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GENESIS DEVELOPMENTAL SERVICES - MOONCREST

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

Provider NPI:
1043206576

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		\$ 249	\$	\$ 249
050	Leases and Rentals	1	24,521	(24,521)	0
055	Real Property Taxes		2,680		2,680
060	Personal Property Taxes		0		0
065	Mortgage Interest	2	0	6,175	6,175
070	Property Insurance		50		50
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 27,500	\$ (18,346)	\$ 9,154
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 22,337	\$	\$ 22,337
085	Utilities	3	10,379	(659)	9,720
090	Client Transportation (excluding Adult Day Services)		4,421		4,421
095	Dietary		7,708		7,708
100	Personal Care and Laundry		0		0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 44,845	\$ (659)	\$ 44,186
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 72,345	\$ (19,005)	\$ 53,340
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 20,266	\$	\$ 20,266
120	QMRP Fringe Benefits		2,029		2,029
125	Lead Salaries		40,011		40,011
130	Lead Fringe Benefits		6,387		6,387
135	Aides Salaries		115,904		115,904
140	Aides Fringe Benefits		21,630		21,630
145	Other Salaries		99,716		99,716
150	Other Fringe Benefits		7,577		7,577
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 313,520	\$ 0	\$ 313,520

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
GENESIS DEVELOPMENTAL SERVICES - MOONCREST

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

Provider NPI:
1043206576

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,623	\$	\$ 1,623
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		700		700
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant	4	17,500	(1,728)	15,772
190	Psychologist Consultant		190		190
195	Physician Consultant		2,400		2,400
200	Recreational Consultant		193		193
205	Social Service Consultant		0		0
210	Other Consultant		1,300		1,300
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 23,906	\$ (1,728)	\$ 22,178
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 19,725	\$	\$ 19,725
225	Administrative Fringe Benefits		3,192		3,192
226	Quality Assurance Fees (excluding Adult Day Services)	5	24,931	(5,747)	19,184
230	Other General and Administrative*** (Excluding Adult Day Services)		120,619		120,619
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 168,467	\$ (5,747)	\$ 162,720
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 578,238	\$ (26,480)	\$ 551,758
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)		\$ 578,238	\$ (26,480)	\$ 551,758

Page 2 of 2

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name		Fiscal Period				Provider NPI		Adjustments	
GENESIS DEVELOPMENTAL SERVICES - MOONCREST		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010				1043206576			
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	50	4	2	50	3	\$24,521	(\$24,521)	\$0
Leases and Rentals To eliminate leases and rentals expenses from a related organization. 42 CFR 413.17 / CMS Pub. 15-1, Section 1005									
2	4	65	4	2	65	3	\$0	\$6,175	\$6,175
Mortgage Interest To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17 and 413.20 CMS Pub. 15-1, Sections 1011.5									
3	4	85	4	2	85	3	\$10,379	(\$659)	\$9,720
Utilities To eliminate prior year utilities expenses. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1									
4	4.1	185	4	2	185	3	\$17,500	(\$1,728)	\$15,772
Nurse Consultant To eliminate prior year nurse consultant expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1									
5	4.1	226	4	2	226	3	\$24,931	(\$5,747)	\$19,184
Quality Assurance Fees To adjust quality assurance fees to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304									

Provider Name		Fiscal Period				Provider NPI		Adjustments	
GENESIS DEVELOPMENTAL SERVICES - MOONCREST		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010				1043206576		6	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch.	Line				Col.
6	2	3	6	1	2	2,137	(11)	2,126	
<p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Patient Days To adjust 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</p>									