

**REPORT
ON THE
RATE SETTING AUDIT**

**RCCA – LEQUEL WAY
CARMICHAEL, CALIFORNIA
PROVIDER NUMBER: LTC60802F
NPI: 1649306986**

**FISCAL PERIOD ENDED
JUNE 30, 2009**

**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: Richard Cruz**



TOBY DOUGLAS
Director

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



EDMUND G. BROWN JR.
Governor

February 24, 2011

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

RCCA – LEQUEL WAY
PROVIDER NUMBER LTC60802F
NATIONAL PROVIDER IDENTIFIER (NPI) 1649306986
FISCAL PERIOD ENDED JUNE 30, 2009

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	\$	320,425	\$ 146.31
Net Audit Adjustment		(303)	(.14)
Audited Cost/Cost Per Day	\$	<u>320,122</u>	\$ <u>146.17</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 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
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.

Board of Directors
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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 - LEQUEL WAY

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60802F

Provider NPI:
1649306986

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,183	2,183
2. Other Client Days (Adj)	7	7
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>320,425</u>	\$ <u>320,122</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>146.31</u>	\$ <u>146.17</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:
RCCA - LEQUEL WAY

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60802F

NPI:
1649306986

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		\$ 14,375	\$	\$ 14,375
050	Leases and Rentals		891		891
055	Real Property Taxes	1	3,576	82	3,658
060	Personal Property Taxes		70		70
065	Mortgage Interest				0
070	Property Insurance		1,206		1,206
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 20,118	\$ 82	\$ 20,200
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,088	\$	\$ 5,088
085	Utilities		7,385		7,385
090	Client Transportation		1,674		1,674
095	Dietary		8,361		8,361
100	Personal Care and Laundry		4,179		4,179
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 26,687	\$ 0	\$ 26,687
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 46,805	\$ 82	\$ 46,887
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 8,970	\$	\$ 8,970
120	QMRP Fringe Benefits		2,703		2,703
125	Lead Salaries		32,472		32,472
130	Lead Fringe Benefits		11,317		11,317
135	Aides Salaries		100,729		100,729
140	Aides Fringe Benefits		26,588		26,588
145	Other Salaries		14,964		14,964
150	Other Fringe Benefits		3,234		3,234
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 200,977	\$ 0	\$ 200,977

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RCCA - LEQUEL WAY

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC60802F

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 740	\$	\$ 740
165	Speech Pathology Consultant		1,157		1,157
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		1,205		1,205
200	Recreational Consultant		1,365		1,365
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,467	\$ 0	\$ 4,467
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 12,355	\$	\$ 12,355
225	Administrative Fringe Benefits		3,391		3,391
226	Quality Assurance Fees		22,232		22,232
230	Other Administrative and General	2,3,4,5	30,198	(385)	29,813
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,176	\$ (385)	\$ 67,791
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 320,425	\$ (303)	\$ 320,122
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 320,425	\$ (303)	\$ 320,122

