

**REPORT
ON THE
RATE SETTING AUDIT**

**DEVON DRIVE HOME ICF/DD-H
SAN RAFAEL, CALIFORNIA
PROVIDER NUMBER: LTC60090F AND
NPI NUMBER: 1487861092**

**FISCAL PERIOD ENDED
JUNE 30, 2009**

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

**Section Chief: Louise Wong
Audit Supervisor: Sandra Garcia
Auditor: Gurdip Sohal**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 10, 2010

Christine Bonfiglio, Administrator
Devon Drive Home
363 Devon Drive
San Rafael, CA 94903

PROVIDER: DEVON DRIVE HOME ICF/DD-H
PROVIDER NO. LTC60090F AND NPI NO 1487861092
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	\$	427,442	\$ 195.18
Net Audit Adjustment		<u>(38,980)</u>	<u>(17.80)</u>
Audited Cost/Cost Per Day	\$	<u>388,462</u>	\$ <u>177.38</u>

This audit report includes the:

1. Audit Report Schedules 1 through 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.

Christine Bonfiglio
Page 2

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
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
P.O. 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.

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:
DEVON DRIVE HOME ICF/DD-H

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

Provider Number:
LTC60090F

Provider NPI:
1487861092

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>427,442</u>	\$ <u>388,462</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>195.18</u>	\$ <u>177.38</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:
DEVON DRIVE HOME ICF/DD-H

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

Provider Number:
LTC60090F

Provider NPI:
1487861092

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 23,808	\$ (7,985)	\$ 15,823
050	Leases and Rentals		490	0	490
055	Real Property Taxes		811	0	811
060	Personal Property Taxes		0		0
065	Mortgage Interest		18,225	0	18,225
070	Property Insurance		492	0	492
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 43,826	\$ (7,985)	\$ 35,841
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 27,502	\$ 0	\$ 27,502
085	Utilities		8,455	0	8,455
090	Client Transportation		5,765	0	5,765
095	Dietary		23,539	0	23,539
100	Personal Care and Laundry		10,963	0	10,963
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 76,224	\$ 0	\$ 76,224
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 120,050	\$ (7,985)	\$ 112,065
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	2	\$ 16,037	\$ (1,871)	\$ 14,166
120	QMRP Fringe Benefits	3	4,276	(499)	3,777
125	Lead Salaries	2	35,599	(4,153)	31,446
130	Lead Fringe Benefits	3	9,477	(1,105)	8,372
135	Aides Salaries	2	155,860	(18,181)	137,679
140	Aides Fringe Benefits	3	41,435	(4,833)	36,602
145	Other Salaries	2	1,098	(128)	970
150	Other Fringe Benefits	3	1,930	(225)	1,705
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 265,712	\$ (30,995)	\$ 234,717

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DEVON DRIVE HOME ICF/DD-H

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

Provider Number:
LTC60090F

Provider NPI:
1487861092

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 765	\$ 0	\$ 765
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		461	0	461
180	Pharmacist Consultant		0		0
185	Nurse Consultant		11,015	0	11,015
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 12,241	\$ 0	\$ 12,241
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 9,651	\$ 0	\$ 9,651
225	Administrative Fringe Benefits		2,572	0	2,572
226	Quality Assurance Fees		0		0
230	Other Administrative and General		17,216	0	17,216
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 29,439	\$ 0	\$ 29,439
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 427,442	\$ (38,980)	\$ 388,462
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 427,442	\$ (38,980)	\$ 388,462

Provider Name		Fiscal Period		Provider Number		Adjustments		
DEVON DRIVE HOME ICF/DD-H		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC60090F		3		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4 of 6	045	4	2	045	\$23,808	(\$7,985)	\$15,823
Depreciation and Amortization To adjust reported depreciation and amortization expense to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								
2	4 of 6	115	4	2	115	\$16,037	(\$1,871)	\$14,166
	4 of 6	125	4	2	125	35,599	(4,153)	31,446
	4 of 6	135	4	2	135	155,860	(18,181)	137,679
	4 of 6	145	4	2	145	1,098	(128)	970
QMRP Salaries Lead Salaries Aides Salaries Other Salaries To adjust the direct labor salary expense to agree with the provider's records and actual salaries for cost finding. CMS Pub. 15-1, Sections 2300 and 2304								
3	4 of 6	120	4	2	120	\$4,276	(\$499)	\$3,777
	4 of 6	130	4	2	130	9,477	(1,105)	8,372
	4 of 6	140	4	2	140	41,435	(4,833)	36,602
	4 of 6	150	4	2	150	1,930	(225)	1,705
QMRP Fringe Benefits Lead Fringe Benefits Aides Fringe Benefits Other Fringe Benefits To adjust the benefits in conjunction with audit adjustment number 2. CMS Pub. 15-1, Sections 2300 and 2304								