REPORT
ON THE
RATE SETTING AUDIT

LA VINE HOME
RANCHO CUCAMONGA, CALIFORNIA
PROVIDER NUMBER: LTC60539F
NPI: 1841327285

FISCAL PERIOD ENDED
DECEMBER 31, 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

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

TOBY DOUGLAS
Director

EDMUND G. BROWN JR.
Governor

February 24, 2011

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

LA VINE HOME
PROVIDER NUMBER LTC60539F
NATIONAL PROVIDER IDENTIFIER (NPI) 1841327285
FISCAL PERIOD ENDED DECEMBER 31, 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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	347,487	$	158.67
Net Audit Adjustment		(4,260)		(1.95)
Audited Cost/Cost Per Day	$	343,227	$	156.72

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.

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: LA VINE HOME

Fiscal Period: JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number: LTC60539F

Provider NPI: 1841327285

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
3. Total Client Days	2,190	2,190
4. Total Client Care Expenses (From Sch. 2)	$ 347,487	$ 343,227
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 158.67	$ 156.72
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LA VINE HOME

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60539F

NPI:
1841327285

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	1	$ 7,055	$ (2,494)	$ 4,561
050	Leases and Rentals		31,353		31,353
055	Real Property Taxes		2,096		2,096
060	Personal Property Taxes		375		375
065	Mortgage Interest				0
070	Property Insurance		2,276		2,276
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 43,155	$ (2,494)	$ 40,661
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 6,961	$	$ 6,961
085	Utilities		5,192		5,192
090	Client Transportation		1,703		1,703
095	Dietary		16,713		16,713
100	Personal Care and Laundry		4,001		4,001
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 34,570	$ 0	$ 34,570
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 77,725	$ (2,494)	$ 75,231
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 11,459	$	$ 11,459
120	QMRP Fringe Benefits		3,902		3,902
125	Lead Salaries		21,134		21,134
130	Lead Fringe Benefits		6,072		6,072
135	Aides Salaries		107,606		107,606
140	Aides Fringe Benefits		35,836		35,836
145	Other Salaries		6,907		6,907
150	Other Fringe Benefits		1,830		1,830
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 194,746	$ 0	$ 194,746

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LA VINE HOME

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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		$ 592	$	$ 592
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		1,620		1,620
175	Occupational Therapy Consultant		1,080		1,080
180	Pharmacist Consultant		766		766
185	Nurse Consultant				0
190	Psychologist Consultant		2,485		2,485
195	Physician Consultant		2,100		2,100
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		468		468
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 9,111	$ 0	$ 9,111
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		$ 10,849	$	$ 10,849
225	Administrative Fringe Benefits		4,608		4,608
226	Quality Assurance Fees		22,344		22,344
230	Other Administrative and General	2,3	28,104	(1,766)	26,338
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 65,905	$ (1,766)	$ 64,139
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 347,487	$ (4,260)	$ 343,227
	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)		$ 347,487	$ (4,260)	$ 343,227

Provider Name	Fiscal Period	Provider Number	Adjustments
LA VINE HOME	JANUARY 1, 2009 THROUGH DECEMBER 31, 2009	LTC60539F	3

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
1	4	45	4	2	45	3	Depreciation and Amortization	$7,055	($2,494)	$4,561
							To adjust for a change in useful life to agree with th			
							American Hospital Association Guidelines			
							42 CFR 413.20, 413.50, and 413.134(b)(7)			
							CMS Pub. 15-1, Sections 104.17, 104.18, 122, 2300, and 2302.4			
	4.1	230	4	2	230	3	Other General and Administrative	$28,104		
2							To eliminate political contributions not related to patient care.		($76)	
							42 CFR 413.9(c)(3)			
							CMS Pub. 15-1, Sections 2102.2, 2104, and 2139			
3							To adjust reported home office costs to agree with the ResCare, Inc.,		(1,690)	
							Home Office Audit Report for fiscal period ended December 31, 2009.		($1,766)	$26,338
							42 CFR 413.17 and 413.24			
							CMS Pub. 15-1, Sections 2150.2 and 2304			