

**REPORT
ON THE
RATE SETTING AUDIT**

**PALMYRA HOME
SAN BERNARDINO, CALIFORNIA
PROVIDER NUMBER: LTC60380F
NPI: 1033246301**

**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: May Liu**



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

PALMYRA HOME
PROVIDER NUMBER LTC60380F
NATIONAL PROVIDER IDENTIFIER (NPI) 1033246301
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:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	383,181	\$ 205.02
Net Audit Adjustment		<u>(2,308)</u>	<u>(1.24)</u>
Audited Cost/Cost Per Day	\$	<u>380,873</u>	\$ <u>203.78</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:
PALMYRA HOME

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

Provider Number:
LTC60380F

Provider NPI:
1033246301

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,869	1,869
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,869</u>	<u>1,869</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>383,181</u>	\$ <u>380,873</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>205.02</u>	\$ <u>203.78</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:
PALMYRA HOME

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

Provider Number:
LTC60380F

NPI:
1033246301

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	\$ 5,190	\$ (262)	\$ 4,928
050	Leases and Rentals		31,727		31,727
055	Real Property Taxes		2,466		2,466
060	Personal Property Taxes	2	429	(103)	326
065	Mortgage Interest				0
070	Property Insurance		2,298		2,298
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 42,110	\$ (365)	\$ 41,745
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 9,455	\$	\$ 9,455
085	Utilities		6,938		6,938
090	Client Transportation		18,566		18,566
095	Dietary		16,387		16,387
100	Personal Care and Laundry		4,776		4,776
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 56,122	\$ 0	\$ 56,122
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 98,232	\$ (365)	\$ 97,867
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 12,661	\$	\$ 12,661
120	QMRP Fringe Benefits		4,311		4,311
125	Lead Salaries		28,657		28,657
130	Lead Fringe Benefits		7,009		7,009
135	Aides Salaries		106,257		106,257
140	Aides Fringe Benefits		39,035		39,035
145	Other Salaries		7,630		7,630
150	Other Fringe Benefits		2,022		2,022
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 207,582	\$ 0	\$ 207,582

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PALMYRA HOME

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

Provider Number:
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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		770		770
185	Nurse Consultant				0
190	Psychologist Consultant		1,738		1,738
195	Physician Consultant		3,000		3,000
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		520		520
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 9,320	\$ 0	\$ 9,320
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 11,987	\$	\$ 11,987
225	Administrative Fringe Benefits		5,131		5,131
226	Quality Assurance Fees		19,068		19,068
230	Other Administrative and General	3,4	31,861	(1,943)	29,918
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 68,047	\$ (1,943)	\$ 66,104
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 383,181	\$ (2,308)	\$ 380,873
	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)		\$ 383,181	\$ (2,308)	\$ 380,873

Provider Name		Fiscal Period		Provider Number		Adjustments			
PALMYRA HOME		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60380F		4			
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Audit Report	Line	Col				
Explanation of Audit Adjustments									
ADJUSTMENTS TO REPORTED COSTS									
1	4	45	4	2	45	3	\$5,190	(\$262)	\$4,928
Depreciation and Amortization To adjust for a change in useful life to agree with th American Hospital Association Guidelines 42 CFR 413.20 and 413.134(b)(7). CMS Pub. 15-1, Sections 104.17 and 104.18									
2	4	60	4	2	60	3	\$429	(\$103)	\$326
Personal Property Taxes To adjust for a change in useful life to agree with the 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									
3	4.1	230	4	2	230	3	\$31,861	(\$76)	
Other General and Administrative To eliminate political contributions not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.2, 2104, and 2139									
4								(1,867)	\$29,918
To adjust reported home office costs to agree with the ResCare Inc. Home Office Audit Report for fiscal period ended December 31, 2009. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304									