

**REPORT  
ON THE  
RATE SETTING AUDIT**

**2525 DEL MAR HOME  
PENRYN, CALIFORNIA  
PROVIDER NUMBER: LTC60114F  
NPI: 1083741250**

**FISCAL PERIOD ENDED  
JUNE 30, 2008**

**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: Mandy Ho**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

February 25, 2010

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

PROVIDER: 2525 DEL MAR HOME  
PROVIDER NO. LTC60114F  
NPI: 1083741250  
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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, patient days and use of share of cost 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	\$	525,098	\$ 263.74
Net Audit Adjustment		(606)	(0.31)
Audited Cost/Cost Per Day	\$	<u>524,492</u>	\$ <u>263.43</u>

This audit report includes the:

1. Audit Report Schedules 1 through 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  
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.

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:**  
2525 DEL MAR HOME

**Fiscal Period:**  
JULY 1, 2007 THROUGH JUNE 30, 2008

**Provider Number:**  
LTC60114F

**Provider NPI:**  
1083741250

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	1,982	1,982
2. Other Client Days (Adj )	9	9
3. Total Client Days	<u>1,991</u>	<u>1,991</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>525,098</u>	\$ <u>524,492</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>263.74</u>	\$ <u>263.43</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:  
2525 DEL MAR HOME

Fiscal Period:  
JULY 1, 2007 THROUGH JUNE 30, 2008

Provider Number:  
LTC60114F

Provider NPI:  
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 5,649	\$	\$ 5,649
050	Leases and Rentals		35,845		35,845
055	Real Property Taxes		1,519		1,519
060	Personal Property Taxes		113		113
065	Mortgage Interest				0
070	Property Insurance		1,178		1,178
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 44,304	\$ 0	\$ 44,304
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	1	\$ 4,609	\$ 43	\$ 4,652
085	Utilities		9,513		9,513
090	Client Transportation		9,485		9,485
095	Dietary	1	8,999	(43)	8,956
100	Personal Care and Laundry	2	5,158	40	5,198
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,764	\$ 40	\$ 37,804
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 82,068	\$ 40	\$ 82,108
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 30,936	\$	\$ 30,936
120	QMRP Fringe Benefits		9,462		9,462
125	Lead Salaries		5,342		5,342
130	Lead Fringe Benefits		2,054		2,054
135	Aides Salaries		116,224		116,224
140	Aides Fringe Benefits		31,414		31,414
145	Other Salaries		119,868		119,868
150	Other Fringe Benefits		27,514		27,514
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 342,814	\$ 0	\$ 342,814

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
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Fiscal Period:  
JULY 1, 2007 THROUGH JUNE 30, 2008

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 762	\$	\$ 762
165	Speech Pathology Consultant		1,019		1,019
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,102		1,102
180	Pharmacist Consultant		893		893
185	Nurse Consultant				0
190	Psychologist Consultant		250		250
195	Physician Consultant		1,054		1,054
200	Recreational Consultant		1,185		1,185
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,265	\$ 0	\$ 6,265
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 14,516	\$	\$ 14,516
225	Administrative Fringe Benefits		4,613		4,613
226	Quality Assurance Fees		24,293		24,293
230	Other Administrative and General	2,3,4,5,6	50,529	(646)	49,883
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 93,951	\$ (646)	\$ 93,305
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 525,098	\$ (606)	\$ 524,492
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 525,098	\$ (606)	\$ 524,492

Provider Name		Fiscal Period		Provider Number		Adjustments		
2525 DEL MAR HOME		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC60114F		6		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
<b>RECLASSIFICATIONS OF REPORTED COSTS</b>								
1	4	80	4	2	80.00	Home Operations and Maintenance	\$4,609	\$4,652
	4	95	4	2	95.00	Dietary	8,999	8,956
To reclassify emergency crank radio expense to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304								
2	4	100	4	2	100.00	Personal Care and Laundry	\$5,158	\$5,198
	4.1	230	4	2	230.00	Other General and Administrative	50,529	50,489 *
To reclassify client's haircut expenses to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304								

\*Balance carried forward from prior/to subsequent adjustments

