

**REPORT
ON THE
RATE SETTING AUDIT**

**RCCA – GATEWOOD DRIVE
MODESTO, CALIFORNIA
PROVIDER NUMBER: LTC80136F
NPI: 1528193828**

**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: Mary Anne Ruiz**



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: RCCA – GATEWOOD DRIVE
PROVIDER NO. LTC80136F
NPI: 1528193828
FISCAL PERIOD ENDED JUNE 30, 2008

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	\$	501,908	\$ 274.27
Net Audit Adjustment		(3,033)	(1.66)
Audited Cost/Cost Per Day	\$	<u>498,875</u>	\$ <u>272.61</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:
RCCA - GATEWOOD DRIVE

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

Provider Number:
LTC80136F

Provider NPI:
1528193828

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,830	1,830
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,830</u>	<u>1,830</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>501,908</u>	\$ <u>498,875</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>274.27</u>	\$ <u>272.61</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)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RCCA - GATEWOOD DRIVE

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

Provider Number:
LTC80136F

Provider NPI:
1528193828

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 3,815	\$	\$ 3,815
050	Leases and Rentals		29,986		29,986
055	Real Property Taxes	1	7,380	(2,777)	4,603
060	Personal Property Taxes	1	215	(33)	182
065	Mortgage Interest				0
070	Property Insurance		1,211		1,211
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 42,607	\$ (2,810)	\$ 39,797
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,296	\$	\$ 8,296
085	Utilities		7,908		7,908
090	Client Transportation		6,830		6,830
095	Dietary	2	9,840	(52)	9,788
100	Personal Care and Laundry		10,125		10,125
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 42,999	\$ (52)	\$ 42,947
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 85,606	\$ (2,862)	\$ 82,744
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 24,606	\$	\$ 24,606
120	QMRP Fringe Benefits		6,781		6,781
125	Lead Salaries		37,977		37,977
130	Lead Fringe Benefits		9,679		9,679
135	Aides Salaries		107,714		107,714
140	Aides Fringe Benefits		30,823		30,823
145	Other Salaries		84,038		84,038
150	Other Fringe Benefits		21,340		21,340
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 322,958	\$ 0	\$ 322,958

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RCCA - GATEWOOD DRIVE

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

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,211	\$	\$ 1,211
165	Speech Pathology Consultant		1,048		1,048
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,068		1,068
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		2,848		2,848
200	Recreational Consultant		550		550
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 6,725	\$ 0	\$ 6,725
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 13,266	\$	\$ 13,266
225	Administrative Fringe Benefits		4,103		4,103
226	Quality Assurance Fees		22,319		22,319
230	Other Administrative and General	3,4	46,931	(171)	46,760
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 86,619	\$ (171)	\$ 86,448
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 501,908	\$ (3,033)	\$ 498,875
	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)		\$ 501,908	\$ (3,033)	\$ 498,875

Provider Name		Fiscal Period		Provider Number		Adjustments		
RCCA - GATEWOOD DRIVE		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC80136F		4		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
1	4	55	4	2	55.00	\$7,380	(\$2,777)	\$4,603
	4	60	4	2	60.00	215	(33)	182
Real Property Taxes Personal Property Taxes To reflect the proper accrual of real and personal property taxes applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1								
2	4	95	4	2	95.00	\$9,840	(\$52)	\$9,788
Dietary To eliminate restaurant expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3								
3	4.1	230	4	2	230.00	\$46,931		
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							(77)	\$46,760
To adjust reported home office costs to agree with the ResCare, Inc., audited Home Office Cost Report for fiscal period ended June 30, 2008. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304								