

**REPORT
ON THE
RATE SETTING AUDIT**

**RCCA – PURPLE HILLS
SAN JOSE, CALIFORNIA
PROVIDER NUMBER: LTC80164F
NPI: 1205962107**

**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 – PURPLE HILLS
PROVIDER NO. LTC80164F
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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	\$	521,113	\$ 237.30
Net Audit Adjustment		(401)	(0.18)
Audited Cost/Cost Per Day	\$	<u>520,712</u>	\$ <u>237.12</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 - PURPLE HILLS

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

Provider Number:
LTC80164F

Provider NPI:
1205962107

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,195	2,195
2. Other Client Days (Adj)	1	1
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>521,113</u>	\$ <u>520,712</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>237.30</u>	\$ <u>237.12</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:
RCCA - PURPLE HILLS

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

Provider Number:
LTC80164F

Provider NPI:
1205962107

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 15,075	\$	\$ 15,075
050	Leases and Rentals		2,696		2,696
055	Real Property Taxes		7,770		7,770
060	Personal Property Taxes		475		475
065	Mortgage Interest				0
070	Property Insurance		2,606		2,606
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,622	\$ 0	\$ 28,622
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,647	\$	\$ 6,647
085	Utilities		10,288		10,288
090	Client Transportation		20,348		20,348
095	Dietary	1	7,681	(121)	7,560
100	Personal Care and Laundry		13,245		13,245
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 58,209	\$ (121)	\$ 58,088
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 86,831	\$ (121)	\$ 86,710
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 21,998	\$	\$ 21,998
120	QMRP Fringe Benefits		7,235		7,235
125	Lead Salaries		11,018		11,018
130	Lead Fringe Benefits		3,387		3,387
135	Aides Salaries		143,628		143,628
140	Aides Fringe Benefits		51,355		51,355
145	Other Salaries		73,518		73,518
150	Other Fringe Benefits		16,910		16,910
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 329,049	\$ 0	\$ 329,049

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RCCA - PURPLE HILLS

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		\$ 2,174	\$	\$ 2,174
165	Speech Pathology Consultant		544		544
170	Physical Therapy Consultant		1,628		1,628
175	Occupational Therapy Consultant		543		543
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		680		680
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 5,569	\$ 0	\$ 5,569
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 15,177	\$	\$ 15,177
225	Administrative Fringe Benefits		4,694		4,694
226	Quality Assurance Fees		26,961		26,961
230	Other Administrative and General	2-4	52,832	(280)	52,552
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 99,664	\$ (280)	\$ 99,384
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 521,113	\$ (401)	\$ 520,712
	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)		\$ 521,113	\$ (401)	\$ 520,712

Provider Name		Fiscal Period		Provider Number		Adjustments		
RCCA - PURPLE HILLS		JULY 1, 2007 THROUGH JUNE 30, 2008		LTC80164F		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	095	4	2	95.00	\$7,681	(\$121)	\$7,560
Dietary To eliminate restaurant expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3								
2	4.1	230	4	2	230.00	\$52,832		
Other General and Administrative To eliminate Rite Aid Store expenses due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)								
3							(94)	
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							(89) (\$280)	\$52,552
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								