

**REPORT
ON THE
RATE SETTING AUDIT**

**DAWNVIEW HOME
POMONA, CALIFORNIA
PROVIDER NUMBER: LTC80261F
NPI: 1487781613**

**FISCAL PERIOD ENDED
DECEMBER 31, 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: DAWNVIEW HOME
PROVIDER NO. LTC80261F
NPI: 1487781613
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	440,940	\$ 200.79
Net Audit Adjustment		(1,906)	(0.87)
Audited Cost/Cost Per Day	\$	<u>439,034</u>	\$ <u>199.92</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.

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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:
DAWNVIEW HOME

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80261F

Provider NPI:
1487781613

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>440,940</u>	\$ <u>439,034</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>200.79</u>	\$ <u>199.92</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:
DAWNVIEW HOME

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:
LTC80261F

Provider NPI:
1487781613

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 9,590	\$	\$ 9,590
050	Leases and Rentals		5,560		5,560
055	Real Property Taxes	3	3,603	(143)	3,460
060	Personal Property Taxes		78		78
065	Mortgage Interest				0
070	Property Insurance		1,181		1,181
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 20,012	\$ (143)	\$ 19,869
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,4	\$ 7,761	\$ 81	\$ 7,842
085	Utilities		9,681		9,681
090	Client Transportation		6,593		6,593
095	Dietary	1	14,290	(141)	14,149
100	Personal Care and Laundry	2,5	9,322	97	9,419
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 47,647	\$ 37	\$ 47,684
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 67,659	\$ (106)	\$ 67,553
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 16,280	\$	\$ 16,280
120	QMRP Fringe Benefits		4,178		4,178
125	Lead Salaries		28,164		28,164
130	Lead Fringe Benefits		14,776		14,776
135	Aides Salaries		103,399		103,399
140	Aides Fringe Benefits		29,767		29,767
145	Other Salaries		63,648		63,648
150	Other Fringe Benefits		23,932		23,932
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 284,144	\$ 0	\$ 284,144

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
DAWNVIEW HOME

Fiscal Period:
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 655	\$	\$ 655
165	Speech Pathology Consultant		2,070		2,070
170	Physical Therapy Consultant		1,906		1,906
175	Occupational Therapy Consultant		999		999
180	Pharmacist Consultant		340		340
185	Nurse Consultant				0
190	Psychologist Consultant		1,244		1,244
195	Physician Consultant		644		644
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		29		29
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,887	\$ 0	\$ 7,887
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 13,785	\$	\$ 13,785
225	Administrative Fringe Benefits		4,791		4,791
226	Quality Assurance Fees		25,588		25,588
230	Other Administrative and General	2,6,7	37,086	(1,800)	35,286
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 81,250	\$ (1,800)	\$ 79,450
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 440,940	\$ (1,906)	\$ 439,034
	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)		\$ 440,940	\$ (1,906)	\$ 439,034

Provider Name		Fiscal Period		Provider Number		Adjustments		
DAWNVIEW HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80261F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
RECLASSIFICATIONS OF REPORTED COSTS								
1	4	80	4	2	80.00	Home Operations and Maintenance	\$7,761	\$7,902 *
	4	95	4	2	95.00	Dietary	14,290	14,149
To reclassify table cloths, place mats, and decorative art 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								
2	4	100	4	2	100.00	Personal Care and Laundry	\$9,322	\$9,554 *
	4.1	230	4	2	230.00	Other General and Administrative	37,086	36,854 *
To reclassify patient 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

Provider Name		Fiscal Period		Provider Number		Adjustments		
DAWNVIEW HOME		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC80261F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
Explanation of Audit Adjustments								
<u>ADJUSTMENTS TO REPORTED COSTS</u>								
3	4	55	4	2	55.00	\$3,603	(\$143)	\$3,460
Real Property Taxes To reflect the proper accrual of real property taxes applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1								
4	4	80	4	2	80.00	\$7,902	(\$60)	\$7,842
Home Operations and Maintenance To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
5	4	100	4	2	100.00	\$9,554	(\$135)	\$9,419
Personal Care and Laundry To eliminate personal care and laundry 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)								
6	4.1	230	4	2	230.00	\$36,854	(\$102)	
Other General and Administrative To eliminate political contributions and lobby fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.2, 2104, and 2139								
7							(1,466) (\$1,568)	\$35,286
To adjust reported home office costs to agree with the ResCare, Inc., audited Home Office Cost Report for fiscal period ended December 31, 2008. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304								

*Balance carried forward from prior/to subsequent adjustments