

**REPORT
ON THE
RATE SETTING AUDIT**

**RCCA – 1775 AUGUSTA
YUBA CITY, CALIFORNIA
PROVIDER NUMBER: LTC80138F
NPI: 1316072622**

**FISCAL PERIOD ENDED
JUNE 30, 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: Mandy Ho**



TOBY DOUGLAS
Director

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



EDMUND G. BROWN JR.
Governor

February 25, 2011

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

RCCA – 1775 AUGUSTA
PROVIDER NUMBER LTC80138F
NATIONAL PROVIDER IDENTIFIER (NPI) 1316072622
FISCAL PERIOD ENDED JUNE 30, 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	\$	416,660	\$ 213.56
Net Audit Adjustment		<u>(593)</u>	<u>(0.30)</u>
Audited Cost/Cost Per Day	\$	<u>416,067</u>	\$ <u>213.26</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:
RCCA - 1775 AUGUSTA

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC80138F

Provider NPI:
1316072622

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,729	1,729
2. Other Client Days (Adj)	222	222
3. Total Client Days	<u>1,951</u>	<u>1,951</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>416,660</u>	\$ <u>416,067</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>213.56</u>	\$ <u>213.26</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 - 1775 AUGUSTA

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

Provider Number:
LTC80138F

NPI:
1316072622

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		\$ 8,853	\$	\$ 8,853
050	Leases and Rentals		2,669		2,669
055	Real Property Taxes		2,516		2,516
060	Personal Property Taxes		146		146
065	Mortgage Interest				0
070	Property Insurance		1,171		1,171
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,355	\$ 0	\$ 15,355
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,550	\$	\$ 4,550
085	Utilities		6,611		6,611
090	Client Transportation		16,821		16,821
095	Dietary		8,121		8,121
100	Personal Care and Laundry	1	8,966	(280)	8,686
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 45,069	\$ (280)	\$ 44,789
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 60,424	\$ (280)	\$ 60,144
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 11,423	\$	\$ 11,423
120	QMRP Fringe Benefits		3,443		3,443
125	Lead Salaries		29,866		29,866
130	Lead Fringe Benefits		12,355		12,355
135	Aides Salaries		94,983		94,983
140	Aides Fringe Benefits		26,270		26,270
145	Other Salaries		68,525		68,525
150	Other Fringe Benefits		23,360		23,360
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 270,225	\$ 0	\$ 270,225

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
RCCA - 1775 AUGUSTA

Fiscal Period:
JULY 1, 2008 THROUGH JUNE 30, 2009

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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		\$ 781	\$	\$ 781
165	Speech Pathology Consultant		964		964
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		500		500
195	Physician Consultant		1,205		1,205
200	Recreational Consultant		780		780
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,230	\$ 0	\$ 4,230
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 15,735	\$	\$ 15,735
225	Administrative Fringe Benefits		4,319		4,319
226	Quality Assurance Fees		22,783		22,783
230	Other Administrative and General	2,3,4	38,944	(313)	38,631
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 81,781	\$ (313)	\$ 81,468
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 416,660	\$ (593)	\$ 416,067
	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)		\$ 416,660	\$ (593)	\$ 416,067

Provider Name		Fiscal Period		Provider Number		Adjustments	
RCCA - 1775 AUGUSTA		JULY 1, 2008 THROUGH JUNE 30, 2009		LTC80138F		4	
Adj. No.	Cost Report	Report References			As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.			
Explanation of Audit Adjustments							
<u>ADJUSTMENTS TO REPORTED COSTS</u>							
1	4	100	4	2	100	3	Personal Care and Laundry To eliminate medical and other 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)
							\$8,966 (\$280) \$8,686
4.1	230	4	2	230	3	3	Other General and Administrative \$38,944
2							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 (\$84)
3							To adjust reported core office costs to agree with the RCCA Core Office Audit Report for fiscal period ended June 30, 2009. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304 (103)
4							To adjust reported home office costs to agree with the ResCare, Inc. Home Office Audit Report for fiscal period ended June 30, 2009. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304 (126) (\$313) \$38,631