

**REPORT
ON THE
RATE SETTING AUDIT**

**EVERGREEN PROGRAM
WOODLAND, CALIFORNIA
PROVIDER NUMBER: LTC80212H
NPI NUMBER: 1124237094**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section - Sacramento
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Steven Gary
Audit Supervisor: Gary Diffenderffer
Auditor: Haisong Peng**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 28, 2010

Parm Kajley
Evergreen Program
1381 East Gum Avenue
Woodland, CA 95776

PROVIDER: EVERGREEN PROGRAM
PROVIDER NO. LTC80212H / NPI 1124237094
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	450,564	\$ 212.53
Net Audit Adjustment		(39,787)	(19.31)
Audited Cost/Cost Per Day	\$	<u>410,777</u>	\$ <u>193.22</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments Schedule

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.

Parm Kajley
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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:

John Melton, 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.

If you have questions regarding this report, you may call the Audits Section - Sacramento at (916) 650-6994.

Original Signed By

Steven Gary, Chief
Audits Section - Sacramento
Financial Audits Branch

Certified

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

Provider:
EVERGREEN PROGRAM

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80212H

Provider NPI:
1124237094

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 8)	2,120	2,126
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,120</u>	<u>2,126</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>450,564</u>	\$ <u>410,777</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>212.53</u>	\$ <u>193.22</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:
EVERGREEN PROGRAM

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC80212H

NPI:
1124237094

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$	\$	\$ 0
050	Leases and Rentals	2	24,362	(1,874)	22,488
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,362	\$ (1,874)	\$ 22,488
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1	\$ 5,059	\$ (55)	\$ 5,004
085	Utilities		6,703		6,703
090	Client Transportation	1	1,003	(5)	998
095	Dietary		8,560		8,560
100	Personal Care and Laundry	3, 4	7,422	(870)	6,552
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 28,747	\$ (930)	\$ 27,817
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 53,109	\$ (2,804)	\$ 50,305
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries		28,618		28,618
130	Lead Fringe Benefits		810		810
135	Aides Salaries		98,759		98,759
140	Aides Fringe Benefits		1,027		1,027
145	Other Salaries		51,332		51,332
150	Other Fringe Benefits	1	50	27,789	27,839
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 180,596	\$ 27,789	\$ 208,385

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
EVERGREEN PROGRAM

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,128	\$	\$ 1,128
165	Speech Pathology Consultant		706		706
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		684		684
180	Pharmacist Consultant				0
185	Nurse Consultant				0
190	Psychologist Consultant		263		263
195	Physician Consultant		1,100		1,100
200	Recreational Consultant		490		490
205	Social Service Consultant				0
210	Other Consultant		173		173
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,544	\$ 0	\$ 4,544
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		23,958		23,958
230	Other Administrative and General	1, 5, 6, 7	188,357	(64,772)	123,585
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 212,315	\$ (64,772)	\$ 147,543
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 450,564	\$ (39,787)	\$ 410,777
	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)		\$ 450,564	\$ (39,787)	\$ 410,777

Provider Name		Fiscal Period				Provider Number		Adjustments	
EVERGREEN PROGRAM		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC80212H / 1124237094		8	
Adj. No.	DHS 3076 Page or Exhibit	Report References		AUDIT REPORT		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch	Line				
EXPLANATION OF AUDIT ADJUSTMENTS									
ADJUSTMENTS TO REPORTED COSTS									
1	4	80	4	2	80.00	Home Operations and Maintenance	\$5,059	(\$55)	\$5,004
	4	90	4	2	90.00	Client Transportation	1,003	(5)	998
	4.1	150	4	2	150.00	Other Benefits	50	27,789	27,839
	4.1	230	4	2	230.00	Other General and Administrative	188,357	11,985	200,342 *
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									
2	4	50	4	2	50.00	Leases and Rentals	\$24,362	(\$1,874)	\$22,488
To adjust the leases and rentals expense to agree with FYE 2009 lease agreement.									
42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304									
3	4	100	4	2	100.00	Personal Care and Laundry	\$7,422		
To eliminate client loans not related to patient care.									
42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3									
4								(210)	
To eliminate patient dental expense not included in the rate.									
CCR, Title 22, Section 51510.3									
								(\$870)	\$6,552
5	4.1	230	4	2	230.00	Other General And Administration	\$200,342		
To adjust reported provider's adjustment to agree with the provider's records.									
42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304									
								(\$39,615)	
6								(5,628)	
To eliminate DHS license fee not applicable to audit period.									
42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304									
								(\$45,243)	\$155,099 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments	
EVERGREEN PROGRAM		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80212H / 1124237094		8	
		Report References					
		COST REPORT	AUDIT REPORT				
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch	Line	As Reported	As Adjusted
7	4.1	230	4	2	230.00	\$155,099	\$123,585
<p style="text-align: center;">ADJUSTMENTS TO REPORTED COSTS</p> <p>Other General And Administration * (\$31,514)</p> <p>To adjust reported home office costs to agree with the Woodland Residential Services, Inc. Home Office Audit Report for fiscal period ended December 31, 2009.</p> <p>42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304</p>							

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments			
EVERGREEN PROGRAM		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80212H / 1124237094		8			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	Col.	Line		
		COST REPORT	AUDIT REPORT					As Reported	Increase (Decrease)
8	2	3	N/A	1	1.00	Medi-Cal Client Days	2,126	6	2,126
						To adjust client days to agree with the provider's patient census report.			
						42 CFR 413.20 and 413.50			
						CMS Pub. 15-1, Sections 2205 and 2304			
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>									