

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
Financial Services - Audit
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Final Informal Review Decision

October 30, 2013

Chad A Cloutier
President
Davis Long Term Care Group
58 Park St, Suite 202
Rockland, ME 04841

RE: Hilltop Manor

Dear Mr. Cloutier,

You have requested an informal review of an audit report for Hilltop Manor dated 8/27/13 for the final operating period from 01/01/11 to 12/31/11 that resulted in an amount due the state of \$4,378.94. Your appeal request is based on your letter of 09/21/13.

As a result of your request, we have prepared an informal review. Our Final Informal Review Decision is as follows:

Appeal issue:

The Provider requests that the \$2,098 of depreciation expense for a 2002 Chevrolet Silverado that was removed in the audit, be allowed. The Provider cites sound fiscal management to keep costs under control. Providing their own snow removal has allowed them to stabilize costs and reduce the fluctuations in cost due to heavy snow seasons.

Audit's response:

The Division of Audit interprets Principle 31.51(b) as the major factor in the reclassification of these expenses to routine snow removal. That principle states that costs for any additional vehicles must be prior approved in writing by the Department. In a letter to your group from Jack McMillin dated September 13, 2011(attached) your request for approval for the additional vehicle was denied. The auditor also notes that in that letter Jack McMillin also states that snow removal is a routine cost subject to each PNMI's routine cost limit and if the request was approved then snow removal cost would become a capital cost. Therefore, based on Jack McMillin's letter, the Auditor reclassified the \$2,098 of depreciation expense from Depreciation – vehicle to Rubbish and snow removal. There is no need to revise the audit based on this decision.

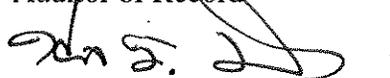
This final informal review decision was based upon a consultation with the auditor of record, a review of his audit report and the related work papers, and your subsequent communications to us.

Please refer to the attached Notice of Appeal Rights of MaineCare Providers for an explanation of your facility's further appeal options.

Sincerely yours,



Donald R. Ellis Sr.
Auditor of Record



Herbert F. Downs
Director, Division of Audit

Enclosures:

Notice of Appeal Rights of MaineCare Providers

Letter from Jack McMillin



Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

SEP 16 2011

Department of Health and Human Services
Elder Services - Central Office
32 Blossom Lane
11 State House Station
Augusta, Maine 04333-0011
Tel. (207) 287-9200; Fax (207) 287-9229
Toll Free (800) 262-2232; TTY (800) 606-0215

September, 13, 2011

Paula Houst, CFO
Davis Long Term Care Group
58 Park Street, Suite 202
Rockland, ME 04841

Re: Plow Trucks

Dear Paula,

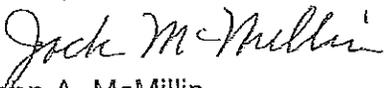
You have requested approval to purchase two pickup trucks with plows for snow removal at the Hilltop Manor, Pleasant Meadows, Halldale Manor, and Capital City Manor PNMI's. One truck would be shared between the Hilltop Manor and Pleasant Meadows PNMI's in Dover Foxcroft. The other truck would be shared between the Halldale Manor and Capital City Manor PNMI's in Farmingdale and Augusta, respectively. The Hilltop Manor/Pleasant Meadows truck (2002 Chevy) would cost \$14,892 including the plow, and the Halldale Manor/Capital City Manor truck (2004 GMC) would cost \$15,139 including the plow.

This letter will confirm that your request is not approved. Snow removal is a routine cost, which is subject to each PNMI's routine cost limit. If your request were approved, the snow removal cost would become a capital cost. Although the cost of the proposed trucks appears reasonable, approval would result in the trucks becoming approved additional vehicles, and as such they could be replaced by new or late model trucks, and the higher cost in depreciation and capital interest, if the trucks were financed, would be passed through to the MaineCare rates of the PNMI's that share them.

Since an additional vehicle requires prior approval, you may have appeal rights according to Section 34.7 in the 10-144 Chapter 115 Principles of Reimbursement for Residential Care Facilities, Room and Board Costs. Section 34.73(A) in those Principles concerns prior approvals. Please contact Herb Downs (287-2778) at DHHS-Audit to confirm your appeal rights and the proper appeal procedure.

Please do not hesitate to contact me if you have any questions about this matter.

Sincerely,


John A. McMillin
Housing Resource Developer

Cc: Romaine Turyn, DHHS-OES
Herb Downs, DHHS-Audit

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF AUDIT – MAINECARE AND SOCIAL SERVICES**

NOTICE OF APPEAL RIGHTS OF MAINECARE PROVIDERS

1. Informal Review:

If you disagree with any portion of the audit report, you must request an informal review by the Director of the Division of Audit, or his designee, by notifying the Division of Audit, 11 State House Station, Augusta, Maine 04333-0011, in writing **within 60 days of receipt of the audit report** of the issues that are in dispute. You must also provide any and all information that you intend to rely upon in disputing each issue. Failure to give timely notice or to include the information relied upon shall constitute a waiver of your facility's right to an informal review and to any subsequent administrative appeals. See the following chart for a reference to the Department's regulation that provides further explanation of your facility's appeal rights and the information you must present in your response:

<u>Type of Facility</u>	<u>Effective Date</u>	<u>Appeal Regulation Citation</u>
Residential Care Facility	05-01-10	Principle #34.7 (DHHS rules 10-144, chapter 115)
PNMI	11-15-10	Principle #6000 (MCBM, Chapter III, Section 97)
	02-13-11	Principle #6000 (MCBM, Chapter III, Section 97)
	09-01-11	Principle #6000 (MCBM, Chapter III, Section 97)

2. Administrative Hearing:

If you disagree with the decision made after an informal review, you must request an administrative hearing by the Commissioner of the Department of Health and Human Services, or Commissioner's designee, by notifying the Commissioner's office, in writing **within 60 days of receipt of the informal review decision** of the issues that are in dispute. Only those issues presented for informal review will be considered at the administrative hearing. See MaineCare Benefits Manual, Chapter I, Section 1.21; also see the Administrative Hearing Regulations.

3. Petition for Judicial Review:

If you disagree with the Commissioner's final decision made after an administrative hearing, you may petition the Superior Court for judicial review of final agency action. See 5 M.R.S.A §§ 11001-11007.