

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

April 30, 2014

Shannon Hogan, Finance Director  
Community Living Association  
45 School Street  
Houlton, ME 04730

Re: Roger Randall Center for Developmental Services

Dear Mr. Hogan:

Your facility requested an informal review of an audit report for **Community Living Association-Roger Randall Center for Developmental Services** dated September 27, 2013 for the fiscal period from July 1, 2009 through March 31, 2010, which resulted in an overpayment of \$9,804. Your appeal request is based upon your letter dated October 25, 2013.

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

You state that "the method of cost settlement used by the auditor categorizes Section 21 and 29 "fee for service" revenue and expenses as revenue and expenses available for cost settlement. This method was an arbitrary calculation that assigned expenses based upon total revenue received under each category ("fee for service" revenue and revenue available for cost settlement)." You also state "the cost reports were submitted with an accurate method of allocating cost to the "cost settled" clients." "The true cost is based upon the amount of time each person spent at the program receiving services."

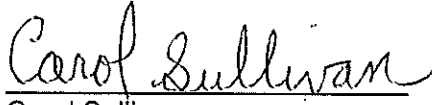
The MaineCare Benefits Manual Chapter III Section 24 Day Habilitation Services for Persons with Mental Retardation Principle 8030 clearly states "The total actual cost of the service shall be determined in accordance with Principle 5020 and 5030 and allocated to MaineCare based on percentage of funding." This is the method MaineCare regulations require audit to use to allocate expenses.

It is our position that the 2010 audit is correct and no revision is necessary.

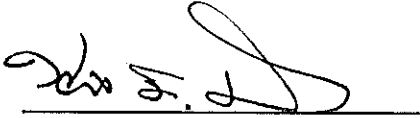
This final informal review decision was based upon a consultation with the auditor of record, a review of her audit report and the related work papers, and your subsequent communications to us.

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

Sincerely,



Carol Sullivan  
Carol Sullivan  
Auditor of Record



Herbert F. Downs, Director  
Division of Audit

Enclosures:

Notice of Appeal Rights of MaineCare Providers

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>
ICF/MR	07-01-08	Principle #8010 (MCBM, Chapter III, section 50)
Developmental Training	12-01-05	Principle #11000 (MMAM, Chapter III, section 24)

(Note: MMAM = Maine Medical Assistance Manual, MCBM = MaineCare Benefits Manual)

**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.