



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

March 31, 2014

Island Commons Resource Center
132 Littlefield Road
Chebeague Island, Maine 04017

Re: **Island Commons Resource Center**

Dear Administrator:

Your facility requested an informal review of an audit report for **Island Commons Resource Center** dated October 28, 2013 for the fiscal period from **October 1, 2009** through **September 30, 2010**, which resulted in an overpayment of \$12,677.51. Your appeal request is based upon your letter dated January 9, 2014.

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

During the audit period, a \$125,000 Maine State Housing Authority loan liability was converted to grant income, a portion of which was offset against current allowable depreciation costs. The provider requested that the amortization calculation be adjusted based on MaineCare member utilization for the amortization amounts applicable to prior years.

Upon further review and discussions with senior management, the auditor concurs with the provider that the adjustment made to Depreciation – Building/Improvements for Maine State Housing Authority debt forgiveness should have been adjusted for MaineCare member utilization. An adjustment has been to the cost report audit and a revised audit report will be sent to the provider.

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,

Rhonda L. Parker
Auditor of Record

Herbert F. Downs, Director
Division of Audit

Cc:
RCC Business Services, Inc.

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>
Residential Care Facility	10-30-08	Principle #34.7 (DHHS rules 10-144, chapter 115)
	05-01-10	Principle #34.7 (DHHS rules 10-144, chapter 115)
PNMI	08-01-09	Principle #6000 (MCBM, Chapter III, Section 97)
	05-15-10	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 his 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.