

Paul R. LePage, Governor

Mary C. Mayhew, Commissioner

Department of Health and Human Services
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Final Informal Review Decision

April 29, 2013

Charles F. Dingman
Preti Flaherty Beliveau and Pachios LLP
P. O. Box 1058
Augusta, ME 04332-1058

Re: **SKILLS, Inc.-Adult Developmental Training Center**

Dear Mr. Dingman:

Your facility requested an informal review of an audit report for **SKILLS, Inc.** dated January 28, 2013 for the fiscal period from July 1, 2007 through June 30, 2008, which resulted in an overpayment of \$25,450. Your appeal request is based upon your letter dated March 29, 2013.

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

You state that "SKILLS, Inc. disagrees with the audit report to the extent that it calculates a MaineCare overpayment based on an allocation of expenses that overstates the excess of revenue over allowable costs for those services subject to cost settlement." SKILLS, Inc. states that the allocation method used in its cost report as filed provided a fair allocation of expenses between cost settled and fee for service programs. "SKILLS, Inc. allocated costs between Section 24 and fee for service activities by assuming that cost reimbursed services would continue to experience approximately the same margin of billed revenue over allowable expenses..." SKILLS, Inc. states audit's method of allocating expenses based on the proportion of MaineCare revenue paid to SKILLS, Inc. is incorrect. SKILLS, Inc. request that the audit be revised to the as filed allocation method submitted on their cost report.

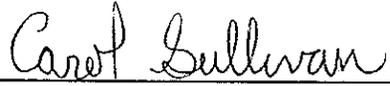
The MaineCare Benefits Manual Chapter III Section 24 Day Habilitation Services for Persons with Mental Retardation Principle 8030 clearly states "The total actual cost of the service shall be determined in accordance with Principle 5020 and 5030 and allocated to MaineCare based on percentage of funding."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

It is our position that the 2008 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
Herbert F. Downs, Director
Division of Audit

Enclosures:

Notice of Appeal Rights of MaineCare Providers