

**REPORT
ON THE
RATE SETTING AUDIT**

**CARCIDO'S ICF/DDH #2
STOCKTON, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1033326798**

**FISCAL PERIOD ENDED
MAY 31, 2012**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Delia Valencia
Auditor: Ellada Kalachov**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Medina T. Carcido, Administrator
Carcido's ICF/DDH Homes
P.O. Box 690097
Stockton, CA 95269

CARCIDO'S ICF/DDH #2
NATIONAL PROVIDER IDENTIFIER (NPI) 1033326798
FISCAL PERIOD ENDED MAY 31, 2012

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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, patient days, and use of share of cost 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	\$	364,521	\$ 165.99
Net Audit Adjustment		<u>(23,800)</u>	<u>(10.83)</u>
Audited Cost/Cost Per Day	\$	<u>340,721</u>	\$ <u>155.16</u>

This audit report includes the:

1. Audit Report Schedules 1 and 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 Fee-For-Service Rates Development Division.

Medina T. Carcido, Administrator
Page 2

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:

Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(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

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
(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.

Robert G. Kwick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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

Provider:
CARCIDO'S ICF/DDH #2

Fiscal Period:
JUNE 1, 2011 THROUGH MAY 31, 2012

Provider NPI:
1033326798

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,196	2,196
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>2,196</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>364,521</u>	\$ <u>340,721</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>165.99</u>	\$ <u>155.16</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
--	--------------	-------------

OVERPAYMENTS

1. Duplicate Payments (Adj)	\$ _____	\$ <u>0</u>
2. Credit Balances (Adj)	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #2

Fiscal Period:
JUNE 1, 2011 THROUGH MAY 31, 2012

Provider NPI:
1033326798

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 2,773	\$	\$ 2,773
050	Leases and Rentals		0		0
055	Real Property Taxes		1,663		1,663
060	Personal Property Taxes		0		0
065	Mortgage Interest	4	9,476	(7,673)	1,803
070	Property Insurance	5, 6	1,897	(1,806)	91
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 15,809	\$ (9,479)	\$ 6,330
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	5, 7	\$ 12,534	\$ (433)	\$ 12,101
085	Utilities	5, 8, 9	12,957	(290)	12,667
090	Client Transportation (excluding Adult Day Services)	2, 5, 10, 11	4,721	(3,502)	1,219
095	Dietary	5, 12	14,687	(1,136)	13,551
100	Personal Care and Laundry	5	795	117	912
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 45,694	\$ (5,244)	\$ 40,450
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 61,503	\$ (14,723)	\$ 46,780
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 26,588	\$	\$ 26,588
120	QMRP Fringe Benefits		1,880		1,880
125	Lead Salaries	3	29,441	(6,558)	22,883
130	Lead Fringe Benefits	3	15,222	(208)	15,014
135	Aides Salaries		86,908		86,908
140	Aides Fringe Benefits		14,462		14,462
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 174,502	\$ (6,766)	\$ 167,737

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #2

Fiscal Period:
JUNE 1, 2011 THROUGH MAY 31, 2012

Provider NPI:
1033326798

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,020	\$	\$ 1,020
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		920		920
180	Pharmacist Consultant		225		225
185	Nurse Consultant		23,568		23,568
190	Psychologist Consultant		300		300
195	Physician Consultant		1,345		1,345
200	Recreational Consultant		900		900
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 28,278	\$ 0	\$ 28,278
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	13	\$ 66,140	\$ (2,982)	\$ 63,158
225	Administrative Fringe Benefits		10,061		10,061
226	Quality Assurance Fees (excluding Adult Day Services)	5	18,405	3,317	21,722
230	Other General and Administrative*** (Excluding Adult Day Services)	5, 9, 14, 15	5,631	(2,647)	2,984
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 100,237	\$ (2,312)	\$ 97,925
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 364,521	\$ (23,801)	\$ 340,721
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 448	\$	\$ 448
241	Adult Day Services and Related Transportation	3	176,537	10,911	187,448
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 541,506	\$ (12,890)	\$ 528,617

Page 2 of 2

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period			Provider NPI		Adjustments
CARCIDO'S ICF/DDH #2							JUNE 1, 2011 THROUGH MAY 31, 2012			1033326798		15
Report References							Explanation of Audit Adjustments			As Reported		As Adjusted
Cost Report			Audit Report									
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col						
1							<p><u>MEMORANDUM ADJUSTMENT</u></p> <p>On Section H, page 4 and 4.1, of provider's filed cost report, provider did not total columns 2 and 3 on column 4. No amounts were reported in column : therefore, amounts in column 2 will be used in lieu of column 4 for the purposes of this audit.</p>					

Provider Name				Fiscal Period				Provider NPI		Adjustments
CARCIDO'S ICF/DDH #2				JUNE 1, 2011 THROUGH MAY 31, 2012				1033326798		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>										
2	4	090	4	2	090	3	Client Transportation	\$4,721	(\$4,145)	\$576 *
	4.1	241	4	2	241	3	Adult Day Services and Related Transportation To reclassify adult day transportation expense to Adult Days Services and Related Transportation cost center to agree with the mileage log. 42 CFR 413.20 and 413.24 CMS 15-1, Sections 2300 and 2304	176,538	4,145	180,683 *
3	4.1	125	4	2	125	3	Lead Salaries	\$29,441	(\$6,558)	\$22,883
	4.1	130	4	2	130	3	Lead Fringe Benefits	15,222	(208)	15,014
	4.1	241	4	2	241	3	Adult Day Services and Related Transportation * To reclassify adult day transportation expense to Adult Day Services and Related Transportation cost center to agree with the providers records. 42 CFR 413.20 and 413.24 CMS 15-1, Sections 2300 and 2304	180,683	6,766	187,448

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments	
CARCIDO'S ICF/DDH #2							JUNE 1, 2011 THROUGH MAY 31, 2012	1033326798	15	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
4	4	065	4	2	065	3	Mortgage Interest To adjust reported mortgage interest expense to agree with the provider's loan documentation. 42 CFR 413.20, 413.24, and 413.53 CMS 15-1, Sections 202.2, 2300, and 2304	\$9,476	(\$7,673)	\$1,803
5	4	070	4	2	070	3	Property Insurance	\$1,897	(\$1,052)	\$845 *
	4	080	4	2	080	3	Home Operations and Maintenance	12,534	914	13,448 *
	4	085	4	2	085	3	Utilities	12,957	51	13,008 *
	4	090	4	2	090	3	Client Transportation *	576	5,654	6,230 *
	4	095	4	2	095	3	Dietary	14,687	515	15,202 *
	4	100	4	2	100	3	Personal Care and Laundry	795	117	912
	4.1	226	4	2	226	3	Quality Assurance Fees	18,405	3,317	21,722
	4.1	230	4	2	230	3	Other General and Administrative 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	5,631	(3,939)	1,692 *
6	4	070	4	2	070	3	Property Insurance *	\$845	(\$754)	\$91
							To adjust property insurance expense to agree with the provider's insurance records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
7	4	080	4	2	080	3	Home Operations and Maintenance *	\$13,448	(\$1,347)	\$12,101
							To eliminate general home expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
CARCIDO'S ICF/DDH #2							JUNE 1, 2011 THROUGH MAY 31, 2012		1033326798		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
8	4	085	4	2	085	3	Utilities To eliminate utilities expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	*	\$13,008	(\$239)	\$12,769 *
9	4 4.1	085 230	4 4	2 2	085 230	3 3	Utilities Other General and Administrative To eliminate costs not associated with administrative salaries, to be allocated from the home office for proper cost allocation. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 1002.1, 1002.2, 1002.3, 2150, 2300, 2304, and 2306	* *	\$12,769 1,692	(\$102) (651)	\$12,667 1,041 *
	4	090	4	2	090	3	Client Transportation	*	\$6,230		
10							To adjust client's transportation expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(\$4,537)	
11							To eliminate client's transportation expense associated with personal usage to agree with the provider's mileage log. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(474) (\$5,011)	\$1,219
12	4	095	4	2	095	3	Dietary To eliminate dietary expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	*	\$15,202	(\$1,651)	\$13,551

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
CARCIDO'S ICF/DDH #2				JUNE 1, 2011 THROUGH MAY 31, 2012				1033326798		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
13	4.1	220	4	2	220	3	Administrative Salaries To eliminate costs not associated with administrative salaries, to be allocated from the home office for proper cost allocation. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 1002.1, 1002.2, 1002.3, 2150, 2300, 2304, and 2306	\$66,140	(\$2,982)	\$63,158
	4.1	230	4	2	230	3	Other General and Administrative	*	\$1,041	
14							To eliminate other general and administrative expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)		(\$446)	
15							To adjust reported home office costs to agree with the Carcido's ICF DDH Homes Home Office Audit Report for fiscal period ended May 31, 2012. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		2,389 <hr/> \$1,943	\$2,984

*Balance carried forward from prior/to subsequent adjustments