

**REPORT
ON THE
RATE SETTING AUDIT**

**CARCIDO'S ICF/DDH #3
STOCKTON, CALIFORNIA
PROVIDER NUMBER: 1568679223**

**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: Gary Diffenderffer
Auditor: Mony Sor**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

Medina Carcido, Administrator
Carcido's ICF/DDH #3
PO Box 690097
Stockton, CA 95269-0097

CARCIDO'S ICF/DDH #3
PROVIDER NUMBER 1568679223
FISCAL PERIOD ENDED MAY 31, 2012

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. 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	\$	361,712		\$ 164.71
Net Audit Adjustment		(7,577)		(3.45)
Audited Cost/Cost Per Day	\$	<u>354,135</u>		\$ <u>161.26</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 Rate Development Branch.

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.

Original Signed By

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 #3

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

Provider NPI:
1568679223

**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>361,712</u>	\$ <u>354,135</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>164.71</u>	\$ <u>161.26</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
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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 #3

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

Provider NPI:
1568679223

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		\$ 5,857	\$	\$ 5,857
050	Leases and Rentals				0
055	Real Property Taxes		2,343		2,343
060	Personal Property Taxes				0
065	Mortgage Interest		1,577		1,577
070	Property Insurance	3,4	1,897	396	2,293
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 11,674	\$ 396	\$ 12,070
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3, 5, 6	\$ 14,245	\$ 36	\$ 14,281
085	Utilities	7	10,210	(102)	10,108
090	Client Transportation (excluding Adult Day Services)	2, 3, 8, 9	5,957	(4,738)	1,219
095	Dietary	3, 10, 11	15,332	(1,251)	14,081
100	Personal Care and Laundry		585		585
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 46,330	\$ (6,055)	\$ 40,275
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 58,003	\$ (5,659)	\$ 52,344
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 26,588	\$	\$ 26,588
120	QMRP Fringe Benefits		1,880		1,880
125	Lead Salaries		27,070		27,070
130	Lead Fringe Benefits		9,555		9,555
135	Aides Salaries		91,263		91,263
140	Aides Fringe Benefits		19,419		19,419
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 175,775	\$ 0	\$ 175,775

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #3

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

Provider NPI:
1568679223

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
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		225		225
185	Nurse Consultant		23,568		23,568
190	Psychologist Consultant		600		600
195	Physician Consultant	3	1,375	(275)	1,100
200	Recreational Consultant		900		900
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 27,688	\$ (275)	\$ 27,413
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	12	\$ 66,140	\$ (2,860)	\$ 63,280
225	Administrative Fringe Benefits		10,061		10,061
226	Quality Assurance Fees (excluding Adult Day Services)		18,504		18,504
230	Other General and Administrative*** (Excluding Adult Day Services)	3, 7, 13	5,540	1,217	6,757
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 100,245	\$ (1,643)	\$ 98,602
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 361,712	\$ (7,577)	\$ 354,135
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 588	\$	\$ 588
241	Adult Day Services and Related Transportation	2	104,675	4,145	108,820
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 466,975	\$ (3,432)	\$ 463,543

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** 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 #3							JUNE 1, 2011 THROUGH MAY 31, 2012			1568679223		13
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						
1							<p style="text-align: center;"><u>MEMORANDUM ADJUSTMENT</u></p> <p>On Section H, Pages 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 purpose of this audit. Additionally, Section H, Column 2, Line 245 - Total Expenses does not foot. Reported and correct amounts are \$467,007 and \$466,975; a variance of \$32.</p>					

Provider Name				Fiscal Period				Provider NPI		Adjustments
CARCIDO'S ICF/DDH #3				JUNE 1, 2011 THROUGH MAY 31, 2012				1568679223		13
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>RECLASSIFICATION OF REPORTED COSTS</u>										
2	4	090	2	2	090	3	Client Transportation	\$5,957	(\$4,145)	\$1,812 *
	4.1	241	2	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	104,675	4,145	108,820

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
CARCIDO'S ICF/DDH #3							JUNE 1, 2011 THROUGH MAY 31, 2012	1568679223	13		
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>											
3	4	070	2	2	070	3	Property Insurance	\$1,897	\$1,052	\$2,949 *	
	4	080	2	2	080	3	Home Operations and Maintenance	14,245	740	14,985 *	
	4	090	2	2	090	3	Client Transportation	* 1,812	4,418	6,230 *	
	4	095	2	2	095	3	Dietary	15,332	876	16,208 *	
	4.1	195	2	2	195	3	Physician Consultant	1,375	(275)	1,100	
	4.1	230	2	2	230	3	Other General and Administrative	5,540	(491)	5,049 *	
							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				
4	4	070	2	2	070	3	Property Insurance	* \$2,949	(\$656)	\$2,293	
							To adjust property insurance expense to agree with provider's insurance supporting documentations. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
5	4	080	2	2	080	3	Home Operations and Maintenance	* \$14,985			
							To adjust supplies expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		(\$428)		
6							To eliminate supplies 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)		(276)	\$14,281	
									(\$704)		

Provider Name				Fiscal Period				Provider NPI		Adjustments
CARCIDO'S ICF/DDH #3				JUNE 1, 2011 THROUGH MAY 31, 2012				1568679223		13
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>										
7	4	085	2	2	085	3	Utilities	\$10,210	(\$102)	\$10,108
	4.1	230	2	2	230	3	Other General and Administrative To reverse direct allocation of home office cost in order to allocate indirect cost at the home office level. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 1002.1, 1002.2, 1002.3, 2150, 2300, 2304, and 2306	* 5,049	(651)	4,398 *
8	4	090	2	2	090	3	Client Transportation To adjust client transportation expense to agree with provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$6,230		
9							To eliminate client transportation expense associated with personal usage not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105		(474) (\$5,011)	\$1,219
10	4	095	2	2	095	3	Dietary To adjust dietary expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306	* \$16,208		
11							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)		(1,452) (\$2,127)	\$14,081

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
CARCIDO'S ICF/DDH #3				JUNE 1, 2011 THROUGH MAY 31, 2012				1568679223		13
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>										
12	4.1	220	2	2	220	3	Administrative Salaries To reverse direct allocation of other administrative cost reported as administrative salaries, to allocate indirect cost at the home office level. 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	(\$2,860)	\$63,280
13	4.1	230	2	2	230	3	Other General and Administrative 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	* \$4,398	\$2,359	\$6,757

*Balance carried forward from prior/to subsequent adjustments