

**REPORT
ON THE
RATE SETTING AUDIT**

**CARCIDO'S ICF/DDH #4
STOCKTON, CALIFORNIA
PROVIDER NUMBER: 1063628972**

**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 #4
PO Box 690097
Stockton, CA 95269-0097

CARCIDO'S ICF/DDH #4
PROVIDER NUMBER 1063628972
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	\$	361,055		\$ 164.42
Net Audit Adjustment		(32,044)		(14.60)
Audited Cost/Cost Per Day	\$	<u>329,011</u>		\$ <u>149.82</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 #4

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

Provider NPI:
1063628972

**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>361,055</u>	\$ <u>329,011</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>164.42</u>	\$ <u>149.82</u>

SHARE OF COST

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

OVERPAYMENTS

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

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #4

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

Provider NPI:
1063628972

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		\$ 1,030	\$	\$ 1,030
050	Leases and Rentals				0
055	Real Property Taxes		1,433		1,433
060	Personal Property Taxes				0
065	Mortgage Interest	4	9,476	(8,089)	1,387
070	Property Insurance	5, 6	1,897	176	2,073
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 13,836	\$ (7,913)	\$ 5,923
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	5, 7, 8, 9	\$ 19,859	\$ (6,684)	\$ 13,175
085	Utilities	10	10,092	(102)	9,990
090	Client Transportation (excluding Adult Day Services)	2, 5, 11, 12	7,939	(6,720)	1,219
095	Dietary	5, 13	12,273	356	12,629
100	Personal Care and Laundry	5	933	(404)	529
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 51,095	\$ (13,554)	\$ 37,541
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 64,932	\$ (21,467)	\$ 43,465
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 26,588	\$	\$ 26,588
120	QMRP Fringe Benefits		1,880		1,880
125	Lead Salaries	3	30,409	(8,304)	22,105
130	Lead Fringe Benefits	3	4,874	(357)	4,517
135	Aides Salaries		90,444		90,444
140	Aides Fringe Benefits		15,169		15,169
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 169,364	\$ (8,661)	\$ 160,703

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #4

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

Provider NPI:
1063628972

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		650		650
180	Pharmacist Consultant		225		225
185	Nurse Consultant		21,968		21,968
190	Psychologist Consultant		300		300
195	Physician Consultant	5	1,360	(260)	1,100
200	Recreational Consultant		900		900
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 26,423	\$ (260)	\$ 26,163
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	5, 14	\$ 66,140	\$ (2,860)	\$ 63,280
225	Administrative Fringe Benefits		10,061		10,061
226	Quality Assurance Fees (excluding Adult Day Services)		18,497		18,497
230	Other General and Administrative*** (Excluding Adult Day Services)	5, 10, 15	5,639	1,204	6,843
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 100,337	\$ (1,656)	\$ 98,681
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 361,055	\$ (32,044)	\$ 329,011
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services	5	\$ 198	\$ 268	\$ 466
241	Adult Day Services and Related Transportation	2, 3	153,105	12,806	165,911
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 514,359	\$ (18,970)	\$ 495,389

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 #4							JUNE 1, 2011 THROUGH MAY 31, 2012			1063628972		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						
1							<p style="text-align: center;"><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 #4				JUNE 1, 2011 THROUGH MAY 31, 2012				1063628972		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	2	2	090	3	Client Transportation	\$7,939	(\$4,145)	\$3,794 *
	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	153,105	4,145	157,250 *
3	4.1	125	2	2	125	3	Lead Salaries	\$30,409	(\$8,304)	\$22,105
	4.1	130	2	2	130	3	Lead Fringe Benefits	4,874	(357)	4,517
	4.1	241	2	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 provider's records. 42 CFR 413.20 and 413.24 CMS 15-1, Sections 2300 and 2304	* 157,250	8,661	165,911

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
CARCIDO'S ICF/DDH #4							JUNE 1, 2011 THROUGH MAY 31, 2012	1063628972		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	2	2	065	3	Mortgage Interest To adjust reported mortgage interest expense to agree with the provider's loan documentations. 42 CFR 413.20, 413.24, and 413.53 CMS 15-1, Sections 202.2, 2300, and 2304.	\$9,476	(\$8,089)	\$1,387
5	4	070	2	2	070	3	Property Insurance	\$1,897	\$1,052	\$2,949 *
	4	080	2	2	080	3	Home Operations and Maintenance	19,859	138	19,997 *
	4	090	2	2	090	3	Client Transportation	* 3,794	2,436	6,230 *
	4	095	2	2	095	3	Dietary	12,273	645	12,918 *
	4	100	2	2	100	3	Personal Care and Laundry	933	(404)	529
	4.1	195	2	2	195	3	Physician Consultant	1,360	(260)	1,100
	4.1	220	2	2	220	3	Administrative Salaries	66,140	(456)	65,684 *
	4.1	230	2	2	230	3	Other General and Administrative	5,639	(499)	5,140 *
	4.1	240	2	2	240	3	Non-Program Services 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	198	268	466
6	4	070	2	2	070	3	Property Insurance 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	* \$2,949	(\$876)	\$2,073
7	4	080	2	2	080	3	Home Operations and Maintenance To eliminate expense for assets or building improvements that should have been capitalized in conjunction with adjustment 8. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300	* \$19,997	(\$6,832)	\$13,165 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
CARCIDO'S ICF/DDH #4				JUNE 1, 2011 THROUGH MAY 31, 2012				1063628972		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>										
8	4	080	2	2	080	3	Home Operations and Maintenance	*	\$13,165	
							To include depreciation expense on the assets or building improvements to be capitalized in conjunction with adjustment 7. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300			\$342
9							To eliminate supplies 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)			<u>(332)</u> \$10
										\$13,175
10	4	085	2	2	085	3	Utilities		\$10,092	(\$102)
	4.1	230	2	2	230	3	Other General and Administrative	*	5,140	(651)
							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			\$9,990
										4,489 *
11	4	090	2	2	090	3	Client Transportation	*	\$6,230	
							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			(\$4,537)
12							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			<u>(474)</u> (\$5,011)
										\$1,219

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
CARCIDO'S ICF/DDH #4							JUNE 1, 2011 THROUGH MAY 31, 2012	1063628972		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	095	2	2	095	3	Dietary To adjust dietary expense to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$12,918	(\$289)	\$12,629
14	4.1	220	2	2	220	3	Administrative Salaries To reverse direct allocation of other administrative 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	*	\$65,684	(\$2,404)	\$63,280
15	4.1	230	4	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	*	\$4,489	\$2,354	\$6,843

*Balance carried forward from prior/to subsequent adjustments