REPORT
ON THE
RATE SETTING AUDIT

CARCIDO'S ICF/DDH #1
STOCKTON, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1447466321

FISCAL PERIOD ENDED
MAY 31, 2012

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

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

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

July 15, 2013

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

CARCIDO'S ICF/DDH #1
NATIONAL PROVIDER IDENTIFIER (NPI) 1447466321
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	355,988	$	162.11
Net Audit Adjustment		(21,190)		(9.65)
Audited Cost/Cost Per Day	$	334,798	$	152.46

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.

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. Kvick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #1

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

Provider NPI:
1447466321

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		$ 5,741	$	$ 5,741
050	Leases and Rentals		0		0
055	Real Property Taxes	4	2,083	(5)	2,078
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance	4,5	1,897	790	2,687
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 9,721	$ 785	$ 10,506
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4,6	$ 7,158	$ (197)	$ 6,961
085	Utilities	4,7,8	10,815	(478)	10,337
090	Client Transportation (excluding Adult Day Services)	2,4,9,10	4,731	(3,513)	1,218
095	Dietary	4,11	13,379	(1,702)	11,677
100	Personal Care and Laundry	4	1,310	(93)	1,217
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 37,394	$ (5,983)	$ 31,411
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 47,115	$ (5,198)	$ 41,917
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 26,582	$	$ 26,582
120	QMRP Fringe Benefits		1,880		1,880
125	Lead Salaries	3	30,084	(4,641)	25,443
130	Lead Fringe Benefits	3	8,453	(223)	8,230
135	Aides Salaries	3	97,342	(8,347)	88,995
140	Aides Fringe Benefits	3	18,162	(422)	17,740
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 182,503	$ (13,633)	$ 168,870

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

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1447466321

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		0		0
180	Pharmacist Consultant		225		225
185	Nurse Consultant		22,360		22,360
190	Psychologist Consultant		563		563
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)		$ 26,413	$ 0	$ 26,413
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	12	$ 66,140	$ (3,107)	$ 63,033
225	Administrative Fringe Benefits		10,061		10,061
226	Quality Assurance Fees (excluding Adult Day Services)		17,909		17,909
230	Other General and Administrative*** (Excluding Adult Day Services)	4,8,13,14	5,847	748	6,595
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 99,957	$ (2,359)	$ 97,598
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 355,988	$ (21,190)	$ 334,798
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		$ 698	$	$ 698
241	Adult Day Services and Related Transportation	2,3	151,193	17,778	168,971
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		$ 507,879	$ (3,412)	$ 504,467

** 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 #1	JUNE 1, 2011 THROUGH MAY 31, 2012	1447466321	14

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							MEMORANDUM ADJUSTMENT			
1							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 3 therefore, amounts in column 2 will be used in lieu of column 4 for the purpos of this audit.			

Provider Name	Fiscal Period	Provider NPI	Adjustments
CARCIDO'S ICF/DDH #1	JUNE 1, 2011 THROUGH MAY 31, 2012	1447466321	14

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATIONS OF REPORTED COSTS				
2	4	090	4	2	090	3	Client Transportation		$4,731	($4,145)	$586 *
	4.1	241	4	2	241	3	Adult Day Services and Related Transportation		151,193	4,145	155,338 *
							To reclassify adult day transportation expense to Adult Day 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				
3	4.1	125	4	2	125	3	Lead Salaries		$30,084	($4,641)	$25,443
	4.1	130	4	2	130	3	Lead Fringe Benefits		8,453	(223)	8,230
	4.1	135	4	2	135	3	Aides Salaries		97,342	(8,347)	88,995
	4.1	140	4	2	140	3	Aides Fringe Benefits		18,162	(422)	17,740
	4.1	241	4	2	241	3	Adult Day Services and Related Transportation	*	155,338	13,633	168,971
							To reclassify adult day transportation expense to Adult Day Services and Related Transportation cost center to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS 15-1, Sections 2300 and 2304				

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
CARCIDO'S ICF/DDH #1	JUNE 1, 2011 THROUGH MAY 31, 2012	1447466321	14

Report References											
	Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS				
4	4	055	4	2	055	3	Real Property Taxes		$2,083	($5)	$2,078
	4	070	4	2	070	3	Property Insurance		1,897	1,329	3,226 *
	4	080	4	2	080	3	Home Operations and Maintenance		7,158	25	7,183 *
	4	085	4	2	085	3	Utilities		10,815	(137)	10,678 *
	4	090	4	2	090	3	Client Transportation	*	586	5,643	6,229 *
	4	095	4	2	095	3	Dietary		13,379	(275)	13,104 *
	4	100	4	2	100	3	Personal Care and Laundry		1,310	(93)	1,217
	4.1	230	4	2	230	3	Other General and Administrative		5,847	(583)	5,264 *
							To reconcile 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	4	070	4	2	070	3	Property Insurance	*	$3,226	($539)	$2,687
							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				
6	4	080	4	2	080	3	Home Operations and Maintenance	*	$7,183	($222)	$6,961
							To eliminate home office maintenance 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)				
7	4	085	4	2	085	3	Utilities	*	$10,678	($239)	$10,439 *
							To eliminate utilities expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105				

*Balance carried forward from prior/to subsequent adjustments

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CARCIDO'S ICF/DDH #1	JUNE 1, 2011 THROUGH MAY 31, 2012	1447466321	14

Report References											
	Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS				
8	4	085	4	2	085	3	Utilities	*	$10,439	($102)	$10,337
	4.1	230	4	2	230	3	Other General and Administrative	*	5,264	(651)	4,613 *
							To eliminate the direct allocation of home office cost for proper cost allocation from 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				
	4	090	4	2	090	3	Client Transportation	*	$6,229		
9							To adjust client's 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)	
10							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)	$1,218
11	4	095	4	2	095	3	Dietary	*	$13,104	($1,427)	$11,677
							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)				
12	4.1	220	4	2	220	3	Administrative Salaries		$66,140	($3,107)	$63,033
							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				

*Balance carried forward from prior/to subsequent adjustments

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CARCIDO'S ICF/DDH #1	JUNE 1, 2011 THROUGH MAY 31, 2012	1447466321	14

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS				
	4.1	230	4	2	230	3	Other General and Administrative	*	$4,613		
13							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)			($310)	
14							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			2,292 $1,982	$6,595

*Balance carried forward from prior/to subsequent adjustments