

**REPORT  
ON THE  
RATE SETTING AUDIT**

**IN GOOD HANDS HOME ICF/DD-H  
HAYWARD, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1073787982**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Louise Wong  
Audit Supervisor: David Mui  
Auditor: Ken Cui**



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



EDMUND G. BROWN JR.  
GOVERNOR

July 15, 2013

Liza G. Lui, Administrator  
In Good Hands Home ICF/DD-H  
380 Bixby Drive  
Milpitas, CA 95035

IN GOOD HANDS HOME ICF/DD-H  
NATIONAL PROVIDER IDENTIFIER (NPI) 1073787982  
FISCAL PERIOD ENDED DECEMBER 31, 2011

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 and patient days 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	\$	356,734	\$ 166.54
Net Audit Adjustment		(19,412)	(12.51)
Audited Cost/Cost Per Day	\$	<u>337,324</u>	\$ <u>154.03</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.

Liza G. Lui  
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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:

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section—Richmond  
Financial Audits Branch

Certified

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

**Provider:**  
IN GOOD HANDS HOME ICF/DD-H

**Fiscal Period:**  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

**Provider NPI:**  
1073787982

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj 4)	2,142	2,190
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days		0
4. Total Client Days (Adj 4)	<u>2,142</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>356,734</u>	\$ <u>337,324</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>166.54</u>	\$ <u>154.03</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment	\$ <u>NA</u>	\$ <u>0</u>
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**OVERPAYMENTS**

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

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
IN GOOD HANDS HOME ICF/DD-H

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1073787982

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 3,263	\$ 0	\$ 3,263
050	Leases and Rentals		56,000	0	56,000
055	Real Property Taxes		4,767	0	4,767
060	Personal Property Taxes				0
065	Mortgage Interest				0
070	Property Insurance	1	12,365	(10,287)	2,078
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 76,395	\$ (10,287)	\$ 66,108
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 5,447	\$ 0	\$ 5,447
085	Utilities		4,489	0	4,489
090	Client Transportation (excluding Adult Day Services)		1,203	0	1,203
095	Dietary		37,753	0	37,753
100	Personal Care and Laundry		0	0	0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 48,892	\$ 0	\$ 48,892
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 125,287	\$ (10,287)	\$ 115,000
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 0	\$ 0	\$ 0
120	QMRP Fringe Benefits		27,602	0	27,602
125	Lead Salaries		0	0	0
130	Lead Fringe Benefits		0	0	0
135	Aides Salaries		54,836	0	54,836
140	Aides Fringe Benefits		0	0	0
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 82,437	\$ 0	\$ 82,437

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
IN GOOD HANDS HOME ICF/DD-H

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1073787982

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,350	\$ 0	\$ 1,350
165	Speech Pathology Consultant		611	0	611
170	Physical Therapy Consultant		660	0	660
175	Occupational Therapy Consultant		945	0	945
180	Pharmacist Consultant		0	0	0
185	Nurse Consultant		20,000	0	20,000
190	Psychologist Consultant		400	0	400
195	Physician Consultant		0	0	0
200	Recreational Consultant		1,250	0	1,250
205	Social Service Consultant		0	0	0
210	Other Consultant		4,490	0	4,490
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 29,706	\$ 0	\$ 29,706
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 42,161	\$ 0	\$ 42,161
225	Administrative Fringe Benefits	3	40,215	(13,394)	26,821
226	Quality Assurance Fees (excluding Adult Day Services)		21,873	0	21,873
230	Other General and Administrative*** (Excluding Adult Day Services)	1,2	15,055	4,271	19,326
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 119,304	\$ (9,123)	\$ 110,181
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 356,734	\$ (19,410)	\$ 337,324
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 356,734	\$ (19,410)	\$ 337,324

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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
IN GOOD HANDS HOME ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1073787982		4
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.					
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>											
1	4	070	4	2	070	3	Property Insurance	\$12,365	(\$10,287)	\$2,078	
	4.1	230	4	2	230	3	Other General and Administrative To reclassify non-property related insurance expense to Other General and Administrative for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	15,055	10,287	25,342 *	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
IN GOOD HANDS HOME ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1073787982		4	
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.					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>											
2	4.1	230	4	2	230	3	Other General and Administrative To eliminate tax penalties and credit card interest not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2122.1	*	\$25,342	(\$6,016)	\$19,326
3	4.1	225	4	2	225	3	Administrative Fringe Benefits To adjust owner compensation based on the federal guidelines. 42 CFR 413.102 CMS Pub. 15-1, Sections 901, 902.3, 904, and 1005		\$40,215	(\$13,394)	\$26,821

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
IN GOOD HANDS HOME ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1073787982		4
Report References							Explanation of Audit Adjustments				
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted		
<b><u>ADJUSTMENT TO REPORTED PATIENT DAYS</u></b>											
4	2	3	1	1	1	N/A	Medi-Cal Client Days	2,142	48	2,190	
	2	3	4	1	4	N/A	Total Client Days	2,142	48	2,190	
							To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through February 22, 2013 Report Date: February 25, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408				