

**REPORT
ON THE
RATE SETTING AUDIT**

**MIKA'S HOME ICF-DDH
UNION CITY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1669673133**

**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: John Uribe**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 31, 2013

Pacifico Ruiz, Administrator
Mika's Home ICF-DDH
34909 Osprey Drive
Union City, CA 94587

MIKA'S HOME ICF-DDH
NATIONAL PROVIDER IDENTIFIER (NPI) 1669673133
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's Integrated Disclosure and 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 Summary of Audited Facility Cost per Patient Day represents a proper determination of the allowable costs and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles.

This audit report includes the:

1. Summary of Audited Facility Cost per Patient Day and supporting schedules
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:

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:
MIKA'S HOME ICF-DDH

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

Provider NPI:
1669673133

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	1,815	1,772
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>1,815</u>	<u>1,772</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>291,182</u>	\$ <u>249,926</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>160.43</u>	\$ <u>141.04</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>	\$ <u>0</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MIKA'S HOME ICF-DDH

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

Provider NPI:
1669673133

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	4, 5	\$ 14,773	\$ 1,503	\$ 16,276
050	Leases and Rentals	1	58,171	(58,171)	0
055	Real Property Taxes	2	0	8,257	8,257
060	Personal Property Taxes		0		0
065	Mortgage Interest	2, 6	0	17,581	17,581
070	Property Insurance		2,102		2,102
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 75,045	\$ (30,830)	\$ 44,216
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 495	\$ 0	\$ 495
085	Utilities		8,314	0	8,314
090	Client Transportation (excluding Adult Day Services)		2,049	0	2,049
095	Dietary		9,685	0	9,685
100	Personal Care and Laundry		5,567	0	5,567
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 26,111	\$ 0	\$ 26,111
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 101,156	\$ (30,830)	\$ 70,326
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 8,000	\$ 0	\$ 8,000
120	QMRP Fringe Benefits		2,287	0	2,287
125	Lead Salaries		34,200	0	34,200
130	Lead Fringe Benefits		9,775	0	9,775
135	Aides Salaries		42,228	0	42,228
140	Aides Fringe Benefits		12,067	0	12,067
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 108,557	\$ 0	\$ 108,557

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
MIKA'S HOME ICF-DDH

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

Provider NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 756	\$ 0	\$ 756
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		510	0	510
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant		7,250	0	7,250
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		2,935	0	2,935
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,451	\$ 0	\$ 11,451
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 24,500	\$ 0	\$ 24,500
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)	3	39,987	(10,427)	29,560
230	Other General and Administrative*** (excluding Adult Day Services)		5,531		5,531
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 70,018	\$ (10,427)	\$ 59,591
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 291,182	\$ (41,257)	\$ 249,926
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 3,500	\$ 0	\$ 3,500
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 294,682	\$ (41,257)	\$ 253,426

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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		
MIKA'S HOME ICF-DDH							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1669673133	7		
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.					
ADJUSTMENTS TO REPORTED COSTS											
1	4	050	4	2	050	3	Leases and Rentals To eliminate rental/lease expenses paid to a related part 42 CFR 413.153 and 413.17 CMS Pub. 15-1, Sections 218.1, 1004, and 1005	\$58,171	(\$58,171)	\$0	
2	4	055	4	2	055	3	Real Property Taxes	\$0	\$8,257	\$8,257	
	4	065	4	2	065	3	Mortgage Interest To include mortgage interest and real property taxes in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20, and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	0	33,836	33,836 *	
3	5	226	4	2	226	3	Quality Assurance Fees To reclassify quality assurance expenses related to another facility to agree with the provider's records and for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$39,987	(\$10,427)	\$29,560	
4	4	045	4	2	045	3	Depreciation and Amortization To adjust depreciation expense to agree with the provider's record. 42 CFR 413.20, 413.24, 413.50, and 413.134(b)(7) CMS Pub. 15-1, Sections 102, 104.17, 104.18, 116, 120, 122, 2300, 2302, and 2304	\$14,773	(\$9,757)	\$5,016 *	
5	4	045	4	2	045	3	Depreciation and Amortization To include building depreciation expense in lieu of related party lease expense. 42 CFR 413.20, 413.24, and 413.134(h) CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300, and 2304	* \$5,016	\$11,260	\$16,276	
6	4	065	4	2	065	3	Mortgage Interest To eliminate interest expense not related to patient care. 42 CFR 413.9(c)(3) and 413.153 CMS Pub. 15-1, Sections 202.2 and 2102.3	* \$33,836	(\$16,255)	\$17,581	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
MIKA'S HOME ICF-DDH							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1669673133		7
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>ADJUSTMENT TO REPORTED PATIENT DAYS</u>												
7	2	3	6	1	1	N/A	Medi-Cal Client Days To adjust total patient days to agree with the provider's patient census report. 42 CFR 413.20, 413.24, 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	1,815	(43)	1,772		