

**REPORT  
ON THE  
RATE SETTING AUDIT**

**SUSAN MANOR ICF/DD-H  
SAN BRUNO, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1962627885**

**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: Diana Dong  
Auditor: Wenli Wei**



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



EDMUND G. BROWN JR.  
GOVERNOR

July 15, 2013

Marissa Legarda, Administrator  
Susan Manor ICF/DD-H  
52 Pointe View Place  
South San Francisco, CA 94080

SUSAN MANOR ICF/DD-H  
NATIONAL PROVIDER IDENTIFIER (NPI) 1962627885  
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's 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	\$	297,681		\$ 135.93
Net Audit Adjustment		<u>(46,497)</u>		<u>(21.23)</u>
Audited Cost/Cost Per Day	\$	<u>251,184</u>		\$ <u>114.70</u>

This audit report includes the following:

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.

Marissa Legarda  
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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:**  
SUSAN MANOR ICF/DD-H

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

**Provider NPI:**  
1962627885

**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 8)	2,190	0
2. Medi-Cal Managed Care Days (Adj 9)	0	2,190
3. Other Client Days (Adj )	0	0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>297,681</u>	\$ <u>251,184</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>135.93</u>	\$ <u>114.70</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>          </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:  
SUSAN MANOR ICF/DD-H

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

Provider NPI:  
1962627885

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		\$ 3,029	\$ 0	\$ 3,029
050	Leases and Rentals	1	30,000	(30,000)	0
055	Real Property Taxes	2	0	6,250	6,250
060	Personal Property Taxes				0
065	Mortgage Interest	2	0	29,065	29,065
070	Property Insurance	2	0	2,030	2,030
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 33,029	\$ 7,345	\$ 40,374
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	4, 5	\$ 46,833	\$ (6,524)	\$ 40,309
085	Utilities	3	10,963	(2,275)	8,688
090	Client Transportation (excluding Adult Day Services)	4	18,689	(18,689)	0
095	Dietary	4, 5	30,145	(13,176)	16,969
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 106,630	\$ (40,664)	\$ 65,966
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 139,659	\$ (33,319)	\$ 106,340
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 18,500	\$ 0	\$ 18,500
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		72,800	0	72,800
140	Aides Fringe Benefits		6,773	0	6,773
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 98,073	\$ 0	\$ 98,073

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
SUSAN MANOR ICF/DD-H

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

Provider NPI:  
1962627885

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		\$ 1,600	\$ 0	\$ 1,600
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		390	0	390
175	Occupational Therapy Consultant		360	0	360
180	Pharmacist Consultant				0
185	Nurse Consultant		1,800	0	1,800
190	Psychologist Consultant		510	0	510
195	Physician Consultant				0
200	Recreational Consultant		875	0	875
205	Social Service Consultant				0
210	Other Consultant		2,183	0	2,183
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,718	\$ 0	\$ 7,718
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$ 14,880	\$ 0	\$ 14,880
225	Administrative Fringe Benefits		1,289	0	1,289
226	Quality Assurance Fees (excluding Adult Day Services)				0
230	Other General and Administrative*** (Excluding Adult Day Services)	6, 7	36,062	(13,178)	22,884
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 52,231	\$ (13,178)	\$ 39,053
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 297,681	\$ (46,497)	\$ 251,184
	<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)		\$ 297,681	\$ (46,497)	\$ 251,184

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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		
SUSAN MANOR ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1962627885	9		
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>ADJUSTMENTS TO REPORTED COSTS</b>											
1	4	050	4	2	050	3	Leases and Rentals To eliminate rental/lease expenses paid to a related part 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	\$30,000	(\$30,000)	\$0	
2	4	055	4	2	055	3	Real Property Taxes	\$0	\$6,250	\$6,250	
	4	065	4	2	065	3	Mortgage Interest	0	29,065	29,065	
	4	070	4	2	070	3	Property Insurance To include cost of ownership 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	2,030	2,030	
3	4	085	4	2	085	3	Utilities 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	\$10,963	(\$2,275)	\$8,688	
4	4	080	4	2	080	3	Home Operations and Maintenance	\$46,833	(\$1,887)	\$44,946 *	
	4	090	4	2	090	3	Client Transportation	18,689	(18,689)	0	
	4	095	4	2	095	3	Dietary To eliminate various 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)	30,145	(12,576)	17,569 *	
5	4	080	4	2	080	3	Home Operations and Maintenance	* \$44,946	(\$4,637)	\$40,309	
	4	095	4	2	095	3	Dietary To eliminate various expenses not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	* 17,569	(600)	16,969	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
SUSAN MANOR ICF/DD-H							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1962627885	9		
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>											
6	4.1	230	4	2	230	3	Other General and Administrative To eliminate various administrative expenses not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105	\$36,062	(\$8,760)	\$27,302 *	
7	4.1	230	4	2	230	3	Other General and Administrative * To eliminate various 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)	\$27,302	(\$4,418)	\$22,884	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
SUSAN MANOR ICF/DD-H				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1962627885		9
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 PATIENT DAYS</u></b>										
8	2	3	1	1	1	2	Medi-Cal Client Days To adjust reported Medi-Cal Intermediate Care 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 April 15, 2013 Report Date: April 17, 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 CCR, Title 22, Section 51541	2,190	(2,190)	0
9	Not Reported			1	2	2	Medi-Cal Managed Care Days To include Medi-Cal Managed Care client days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	2,190	2,190