

**REPORT
ON THE
RATE SETTING AUDIT**

**SAN JUAN ICF/DDN
ANTIOCH, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1083832752**

**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: Jesse Duran
Auditor: Yosief Hailemichael**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 28, 2013

Don Verdiano, Administrator
San Juan ICF/DDN
2893 El Camino Real, Suite C
Redwood City, CA 94061

SAN JUAN ICF/DDN
NATIONAL PROVIDER IDENTIFIER (NPI) 1083832752
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	\$	405,516	\$	185.59
Net Audit Adjustment		<u>(11,888)</u>		<u>(5.85)</u>
Audited Cost/Cost Per Day	\$	<u>393,628</u>	\$	<u>179.74</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.

Don Veridiano
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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:
SAN JUAN ICF/DDN

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

Provider NPI:
1083832752

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 5)	2,185	2,189
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj 6)	0	1
4. Total Client Days	<u>2,185</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>405,516</u>	\$ <u>393,628</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>185.59</u>	\$ <u>179.74</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:
SAN JUAN ICF/DDN

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

Provider NPI:
1083832752

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		\$ 6,246	\$ 0	\$ 6,246
050	Leases and Rentals		0		0
055	Real Property Taxes		2,676	0	2,676
060	Personal Property Taxes		0		0
065	Mortgage Interest		10,324	0	10,324
070	Property Insurance		3,316	0	3,316
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 22,562	\$ 0	\$ 22,562
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,022	\$ 0	\$ 5,022
085	Utilities		11,566	0	11,566
090	Client Transportation (excluding Adult Day Services)	2	4,809	(4,809)	0
095	Dietary		8,085	0	8,085
100	Personal Care and Laundry		8,239	0	8,239
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 37,721	\$ (4,809)	\$ 32,912
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 60,283	\$ (4,809)	\$ 55,474
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,000	\$ 0	\$ 18,000
120	QMRP Fringe Benefits		1,498	0	1,498
125	Lead Salaries		100,138	0	100,138
130	Lead Fringe Benefits		8,336	0	8,336
135	Aides Salaries		78,795	0	78,795
140	Aides Fringe Benefits		6,559	0	6,559
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 213,326	\$ 0	\$ 213,326

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
SAN JUAN ICF/DDN

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

Provider NPI:
1083832752

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 765	\$ 0	\$ 765
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		750	0	750
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant		58,664	0	58,664
190	Psychologist Consultant		400	0	400
195	Physician Consultant		0		0
200	Recreational Consultant		925	0	925
205	Social Service Consultant		0		0
210	Other Consultant	1	5,415	(5,415)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 66,919	\$ (5,415)	\$ 61,504
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	4	\$ 39,135	\$ (1,153)	\$ 37,982
225	Administrative Fringe Benefits	4	5,351	(5,351)	0
226	Quality Assurance Fees (excluding Adult Day Services)		16,114	0	16,114
230	Other General and Administrative*** (excluding Adult Day Services)	1,3	4,388	4,840	9,228
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 64,988	\$ (1,664)	\$ 63,324
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 405,516	\$ (11,888)	\$ 393,628
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		0		0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 405,516	\$ (11,888)	\$ 393,628

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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
SAN JUAN ICF/DDN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1083832752		6
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>RECLASSIFICATION OF REPORTED COST</u>												
1	4.1	210	4	2	210	3	Other Consultant	\$5,415	(\$5,415)	\$0		
	4.1	230	4	2	230	3	Other General and Administrative	4,388	5,415	9,803 *		
To reclassify billing and other administrative expenses to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8												

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
SAN JUAN ICF/DDN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1083832752	6		
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											
2	4	090	4	2	090	3	Client Transportation To eliminate client transportation 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)	\$4,809	(\$4,809)	\$0	
3	4.1	230	4	2	230	3	Other General and Administrative To eliminate legal/professional 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)	* \$9,803	(\$575)	\$9,228	
4	4.1	220	4	2	220	3	Administrative Salaries	\$39,135	(\$1,153)	\$37,982	
	4.1	225	4	2	225	3	Administrative Fringe Benefits To adjust reported home office costs to agree with the Del Monte Inc. Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	5,351	(5,351)	0	

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
SAN JUAN ICF/DDN				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1083832752		6
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 PATIENT DAYS										
5	2	3	1	1	1	2	Medi-Cal Client Days 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 25, 2013 Report Date: March 13, 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	2,185	4	2,189
6	2	3	3	1	3	2	Other Client Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	0	1	1