

**REPORT
ON THE
RATE SETTING AUDIT**

**FRANCISCO ICF/DDN
ANTIOCH, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1538388038**

**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: Liza Bencriscutto**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

January 11, 2013

Don Veridiano
Administrator/Owner
Del Monte Inc.
210 Del Monte Avenue
South San Francisco, CA 94080

FRANCISCO ICF/DDN
NATIONAL PROVIDER IDENTIFIER (NPI) 1538388038
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	\$	330,181	\$ 151.60
Net Audit Adjustment		<u>(23,836)</u>	<u>(10.95)</u>
Audited Cost/Cost Per Day	\$	<u>306,345</u>	\$ <u>140.65</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:
FRANCISCO ICF/DDN

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

Provider NPI:
1538388038

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 6)	2,178	2,170
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj 7)	0	8
4. Total Client Days	<u>2,178</u>	<u>2,178</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>330,181</u>	\$ <u>306,345</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>151.60</u>	\$ <u>140.65</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:
FRANCISCO ICF/DDN

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

Provider NPI:
1538388038

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	2	\$ 7,714	\$ (4,110)	\$ 3,604
050	Leases and Rentals				0
055	Real Property Taxes		2,393	0	2,393
060	Personal Property Taxes				0
065	Mortgage Interest	3	10,324	(8,254)	2,070
070	Property Insurance		2,057	0	2,057
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 22,488	\$ (12,364)	\$ 10,124
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 8,285	\$ 0	\$ 8,285
085	Utilities		10,619	0	10,619
090	Client Transportation (excluding Adult Day Services)	4	4,989	(4,989)	0
095	Dietary		5,535	0	5,535
100	Personal Care and Laundry		9,331	0	9,331
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 38,759	\$ (4,989)	\$ 33,770
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 61,247	\$ (17,353)	\$ 43,894
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,000	\$ 0	\$ 18,000
120	QMRP Fringe Benefits		3,373	0	3,373
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries		105,466	0	105,466
140	Aides Fringe Benefits		19,762	0	19,762
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 146,601	\$ 0	\$ 146,601

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
FRANCISCO ICF/DDN

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

Provider NPI:
1538388038

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
170	Physical Therapy Consultant		750	0	750
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		54,864	0	54,864
190	Psychologist Consultant		380	0	380
195	Physician Consultant				0
200	Recreational Consultant		900	0	900
205	Social Service Consultant				0
210	Other Consultant	1	1,100	(1,100)	0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 58,759	\$ (1,100)	\$ 57,659
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	5	\$ 39,009	\$ (1,150)	\$ 37,859
225	Administrative Fringe Benefits	5	5,333	(5,333)	0
226	Quality Assurance Fees (excluding Adult Day Services)		15,675	0	15,675
230	Other General and Administrative*** (Excluding Adult Day Services)	1	3,557	1,100	4,657
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 63,574	\$ (5,383)	\$ 58,191
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 330,181	\$ (23,836)	\$ 306,345
	NON-CLIENT CARE EXPENSES		(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)		\$ 330,181	\$ (23,836)	\$ 306,345

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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		
FRANCISCO ICF/DDN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1538388038	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>RECLASSIFICATION OF REPORTED COSTS</u>											
1	4.1	210	4	2	210	3	Other Consultant	\$1,100	(\$1,100)	\$0	
	4.1	230	4	2	230	3	Other General and Administrative To reclassify billing expense for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	3,557	1,100	4,657	

Provider Name				Fiscal Period				Provider NPI		Adjustments
FRANCISCO ICF/DDN				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1538388038		7
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
2	4	045	4	2	045	3	Depreciation and Amortization To eliminate nonallowable depreciation expense for assets subject to DEFRA/BBA. 42 CFR 413.134 CMS Pub. 15-1, Section 104.10	\$7,714	(\$4,110)	\$3,604
3	4	065	4	2	065	3	Mortgage Interest To adjust mortgage interest expense for assets subject to DEFRA/BBA. 42 CFR 413.9(c)(3), 413.134, and 413.153 CMS Pub. 15-1, Sections 2300, 2304, and 104.10(C)	\$10,324	(\$8,254)	\$2,070
4	4	090	4	2	090	3	Client Transportation To eliminate client transportation expense due to lack of documentation and reimbursed by the adult day program. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2105.9, 2300, 2304, and 2328 W&I Code 14124.2(b)	\$4,989	(\$4,989)	\$0
5	4.1	220	4	2	220	3	Administrative Salaries	\$39,009	(\$1,150)	\$37,859
	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	5,333	(5,333)	0

Provider Name							Fiscal Period	Provider NPI		Adjustments
FRANCISCO ICF/DDN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1538388038		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>										
6	2	3	1	1	1	2	Medi-Cal Client Days	2,178	(8)	2,170
	2	3	4	1	4	2	Total Client Days	2,178	(8)	2,170 *
To adjust reported Medi-Cal Client Days days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through July 31, 2012 Report Date: August 20, 2012 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										
7	2	3	3	1	3	2	Other Client Days	0	8	8
	2	3	4	1	4	2	Total Client Days	* 2,170	8	2,178
To adjust client days to agree with the provider's census reports. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304										