REPORT
ON THE
RATE SETTING AUDIT

CARCIDO'S ICF/DDH #2
STOCKTON, CALIFORNIA
PROVIDER NUMBER: 1033326798

FISCAL PERIOD ENDED
MAY 31, 2010

Audits Section - Sacramento
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Steven Gary
Audit Supervisor: Gary Diffenderffer
Auditors: Janis Nelsen

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

December 20, 2011

Medina Carcido, Administrator
Carcido's ICF/DDH #2
PO Box 690097
Stockton, CA 95269-0097

CARCIDO'S ICF/DDH #2
PROVIDER NUMBER 1033326798
FISCAL PERIOD ENDED MAY 31, 2010

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, patient days, and use of share of cost for the above fiscal period in accordance with Medi-Cal reimbursement principles. The results of our examination are as follows:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	335,049	$	154.54
Net Audit Adjustment		(13,679)		(6.72)
Audited Cost/Cost Per Day	$	321,370	$	147.82

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 Rate Development Branch.

Financial Audits Branch/Audits Section—Sacramento
MS 2106, P.O. Box 997413, Sacramento, CA 95899-7413
(916) 650-6994 / (916) 650-6990 fax
Internet Address: www.dhcs.ca.gov

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—Sacramento at (916) 650-6994.

Original Signed By

Steven Gary, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
CARCIDO'S ICF/DDH #2

Fiscal Period:
JUNE 1, 2009 THROUGH MAY 31, 2010

Provider NPI:
1033326798

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 16)	2,168	2,174
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	2,168	2,174
5. Total Client Care Expenses (From Sch. 2)	$ 335,049	$ 321,370
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 154.54	$ 147.82
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj 17)	$ 17,630	$ 17,700
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #2

Fiscal Period:
JUNE 1, 2009 THROUGH MAY 31, 2010

Provider NPI:
1033326798

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	$ 2,709	$ (230)	$ 2,479
050	Leases and Rentals	3	0	1,633	1,633
055	Real Property Taxes		1,617		1,617
060	Personal Property Taxes				0
065	Mortgage Interest	5	9,815	(9,815)	0
070	Property Insurance		2,689		2,689
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 16,830	$ (8,412)	$ 8,418
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	6, 7, 8	$ 11,111	$ (263)	$ 10,848
085	Utilities		12,021		12,021
090	Client Transportation (excluding Adult Day Services)	3, 9	4,324	(3,760)	564
095	Dietary	10	12,218	(179)	12,039
100	Personal Care and Laundry	11, 12, 13	704	(384)	320
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 40,378	$ (4,586)	$ 35,792
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 57,208	$ (12,998)	$ 44,210
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 17,745	$	$ 17,745
120	QMRP Fringe Benefits		1,247		1,247
125	Lead Salaries		28,324		28,324
130	Lead Benefits		12,886		12,886
135	Aides Salaries		86,059		86,059
140	Aides Benefits		17,345		17,345
145	Other Salaries				0
150	Other Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 163,606	$ 0	$ 163,606

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #2

Fiscal Period:
JUNE 1, 2009 THROUGH MAY 31, 2010

Provider NPI:
1033326798

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,020	$	$ 1,020
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		975		975
180	Pharmacist Consultant		300		300
185	Nurse Consultant		21,060		21,060
190	Psychologist Consultant		400		400
195	Physician Consultant	14	2,250	(300)	1,950
200	Recreational Consultant		1,200		1,200
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 27,205	$ (300)	$ 26,905
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$ 47,388	$	$ 47,388
225	Administrative Fringe Benefits		15,529		15,529
226	Quality Assurance Fees (excluding Adult Day Services)	15	17,458	(381)	17,077
230	Other General and Administrative*** (Excluding Adult Day Services)		6,655		6,655
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 87,030	$ (381)	$ 86,649
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 335,049	$ (13,679)	$ 321,370
			(To Sch. 1)		(To Sch. 1)
	NON-CLIENT CARE EXPENSES				
240	Non-Program Services		$ 362	$	$ 362
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		$ 335,411	$ (13,679)	$ 321,732

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider Number	Adjustme
CARCIDO'S ICF/DDH #2	JUNE 1, 2009 THROUGH MAY 31, 2010	1033326798	17

Report References									
	Cost Report			Audit Report					
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjustec
							MEMORANDUM ADJUSTMENTS			
1							On Section H, page 4 and 4.1, of provider's filed cost report, provider did not total columns 2 and 3 on column 4. No amounts were reported in column 3; therefore, amounts in column 2 will be used in lieu of column 4 for the purpose of this audit.			
2							On Section H, page 4.1, there is an addition error by the provider. When numbers are totaled on line 235, the total number should be $87,030.26 instead of $87,330.26, causing the total expenses to be $335,410.63 instead of $335,710.63.			

Provider Name	Fiscal Period	Provider Number	Adjustme
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Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjustec
							RECLASSIFICATION OF REPORTED COSTS			
3	4	050	2	2	050	2	Leases and Rentals	$0	$1,633	$1,633
	4	090	2	2	090	2	Client Transportation	4,324	(1,633)	2,691
							To reclassify lease expenses from Client Transportation to Leases and Rentals for proper cost finding.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8			
							CCR, Title 22, Sections 52000(e) and 52501			

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustme
CARCIDO'S ICF/DDH #2	JUNE 1, 2009 THROUGH MAY 31, 2010	1033326798	17

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjustec
							ADJUSTMENTS TO REPORTED COSTS				
4	4	045	2	2	045	2	Depreciation and Amortization To eliminate depreciation and amortization 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		$2,709	($230)	$2,479
5	4	065	2	2	065	2	Mortgage Interest To eliminate mortgage interest expense not related to patient care. 42 CFR 413.9(c)(3), 413.153, 413.20, and 413.24. CMS Pub. 15-1, Sections 202.2, 1011.5, and 2102.3		$9,815	($9,815)	$0
6	4	080	2	2	080	2	Home Operations and Maintenance		$11,111		
							To eliminate expense for A-1 Safety due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			($88)	
7							To eliminate expense for Appliance Parts and Equipment Distributors due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(35)	
8							To eliminate expense for Bolinao Handyman due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(140) ($263)	$10,848
9	4	090	2	2	090	2	Client Transportation To eliminate client transportation expenses due to insufficient documentation to substantiate costs are related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, and 2304	*	$2,691	($2,127)	$564

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider Number	Adjustme
CARCIDO'S ICF/DDH #2	JUNE 1, 2009 THROUGH MAY 31, 2010	1033326798	17

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjustec
							ADJUSTMENTS TO REPORTED COSTS			
10	4	095	2	2	095	2	Dietary To eliminate dietary expenses due to lack of documentation. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, and 2304	$12,218	($179)	$12,039
11	4	100	2	2	100	2	Personal Care and Laundry	$704		
							To eliminate Pacific Avenue Bowl expenses due to insufficient documentation. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2104.3, 2300 and 2304		($144)	
12							To eliminate Delta Hawkeye Security expenses due to insufficient documentation. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2104.3, 2300 and 2304		(100)	
13							To eliminate double booking of expenses associated with Bolinao Handyman/Neque. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(140) ($384)	$320
14	4.1	195	2	2	195	2	Physician Consultant To eliminate Physician Consultant expense for Dr. Greenwood due to lack of documentation. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2104.3, 2300 and 2304	$2,250	($300)	$1,950
15	4.1	226	2	2	226	2	Quality Assurance Fees To adjust Quality Assurance Fees to agree with the expense applicable to the audit period ending 5/31/10. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1	$17,458	($381)	$17,077

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Report References										
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Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjustec
							ADJUSTMENT TO REPORTED PATIENT DAYS			
16	2	3	4	1	1	2	Medi-Cal Client Days To adjust total patient days to agree with the paid claims summary report. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	2,168	6	2,174

Provider Name	Fiscal Period	Provider Number	Adjustme
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Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjustec
							ADJUSTMENT TO OTHER MATTERS			
17	4	015	4	1	1	2	Share of Cost To adjust Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1	$17,630	$70	$17,700