

**REPORT
ON THE
RATE SETTING AUDIT**

**CARCIDO'S ICF/DDH #4
STOCKTON, CALIFORNIA
PROVIDER NUMBER: 1063628972**

**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
Auditor: Alex Ramos**



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



EDMUND G. BROWN JR.
GOVERNOR

December 20, 2011

Medina Carcido, Administrator
Carcido's ICF/DDH #4
P.O. Box 690097
Stockton, CA 95269-0097

CARCIDO'S ICF/DDH #4
PROVIDER NUMBER 1063628972
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:

<u>COST AND COST PER DAY</u>		<u>COST</u>		<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	330,347		\$ 170.46
Net Audit Adjustment		<u>(13,855)</u>		<u>(7.57)</u>
Audited Cost/Cost Per Day	\$	<u>316,492</u>		\$ <u>162.89</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 Rate Development Branch.

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 #4

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

Provider NPI:
1063628972

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 8)	1,938	1,943
2. Medi-Cal Managed Care Days (Adj)		0
3. Other Client Days (Adj)		0
4. Total Client Days	<u>1,938</u>	<u>1,943</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>330,347</u>	\$ <u>316,492</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>170.46</u>	\$ <u>162.89</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:
CARCIDO'S ICF/DDH #4

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

Provider NPI:
1063628972

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		\$ 4,541	\$	\$ 4,541
050	Leases and Rentals				0
055	Real Property Taxes		1,394		1,394
060	Personal Property Taxes				0
065	Mortgage Interest	2	9,815	(9,815)	0
070	Property Insurance		2,689		2,689
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 18,439	\$ (9,815)	\$ 8,624
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 19,843	\$	\$ 19,843
085	Utilities		7,005		7,005
090	Client Transportation (excluding Adult Day Services)	3, 4	3,956	(1,232)	2,724
095	Dietary	5	12,251	(931)	11,320
100	Personal Care and Laundry	6	2,314	(267)	2,047
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 45,369	\$ (2,430)	\$ 42,939
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 63,808	\$ (12,245)	\$ 51,563
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,745	\$	\$ 17,745
120	QMRP Fringe Benefits		1,247		1,247
125	Lead Salaries		28,568		28,568
130	Lead Benefits		6,181		6,181
135	Aides Salaries		83,990		83,990
140	Aides Benefits		14,137		14,137
145	Other Salaries				0
150	Other Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 151,868	\$ 0	\$ 151,868

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
CARCIDO'S ICF/DDH #4

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

Provider NPI:
1063628972

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		867		867
180	Pharmacist Consultant		300		300
185	Nurse Consultant		21,998		21,998
190	Psychologist Consultant		400		400
195	Physician Consultant		1,440		1,440
200	Recreational Consultant		1,050		1,050
205	Social Service Consultant				0
210	Other Consultant, Audio, Vision		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 27,075	\$ 0	\$ 27,075
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 47,353		\$ 47,353
225	Administrative Fringe Benefits		15,804		15,804
226	Quality Assurance Fees (excluding Adult Day Services)	7	17,097	(1,610)	15,487
230	Other General and Administrative*** (Excluding Adult Day Services)		7,342		7,342
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 87,596	\$ (1,610)	\$ 85,986
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 330,347	\$ (13,855)	\$ 316,492
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$ 284	\$	\$ 284
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 330,631	\$ (13,855)	\$ 316,776

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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 Number		Adjustme	
CARCIDO'S ICF/DDH #4		JUNE 1, 2009 THROUGH MAY 31, 2010		1063628972		8	
Report References		Audit Report		As Reported		Increase (Decrease)	
Cost Report		Line		Sch.		Col	
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	As Adjustec

Explanation of Audit Adjustments
MEMORANDUM ADJUSTMENT

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.

Provider Name		Fiscal Period				Provider Number		Adjustme		
CARCIDO'S ICF/DDH #4		JUNE 1, 2009 THROUGH MAY 31, 2010				1063628972		8		
Adj. No.	DHS 3076 Page or Exhibit	Report References				Line	Col	As Reported	Increase (Decrease)	As Adjustec
		Cost Report	Audit Report	Sch.	Col.					
2	4	065	2	2	065	2	\$9,815	(\$9,815)	\$0	
		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, 101.1.5, and 2102.3								
3	4	090	2	2	090		\$3,956			
		Client Transportation To eliminate client transportation expenses due to lack of documentation to substantiate costs are related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 / CMS Pub. 15-1, Section 2102.3, 2300, and 2304								
4								(103)	\$2,724	
		To eliminate client transportation expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3								
5	4	095	2	2	095	2	\$12,251	(\$931)	\$11,320	
		Dietary To eliminate dietary 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								
6	4	100	2	2	100	2	\$2,314	(\$267)	\$2,047	
		Personal Care and Laundry To eliminate personal care and laundry costs due to insufficient documentation. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, and 2304								
7	4.1	226	2	2	226	2	\$17,097	(\$1,610)	\$15,487	
		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								

Provider Name		Fiscal Period		Provider Number		Adjustme		
CARCIDO'S ICF/DDH #4		JUNE 1, 2009 THROUGH MAY 31, 2010		1063628972		8		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col	Line	Col
		Cost Report	Audit Report					

ADJUSTMENT TO REPORTED PATIENT DAYS

8 2 3 4 1 1 2 1 1 5 1,938 1,943

Medi-Cal Client Days
 To adjust total patient days to agree with the EDS
 Paid Claims Data Report:
 Report Date: August 17, 2011
 Payment Period: June 1, 2009 through August 15, 2011
 Service Period: June 1, 2009 through May 31, 2010
 42 CFR 413.20 and 413.50
 CMS Pub. 15-1, Sections 2205 and 2304