

**REPORT
ON THE
RATE SETTING AUDIT**

**THE ARC OF SAN DIEGO—STAN POTTER
SAN DIEGO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1902088735**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

**Audits Section—San Diego
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Patricia M. Fox
Audit Supervisor: Woosung Lee
Auditor: Stacey A. Leon**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

December 12, 2011

Chad Lyle
Vice President of Finance/CFO
The Arc of San Diego
3030 Market Street
San Diego, CA 92102

THE ARC OF SAN DIEGO—STAN POTTER
NATIONAL PROVIDER IDENTIFIER (NPI) 1902088735
FISCAL PERIOD ENDED JUNE 30, 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	\$	507,159		\$ 231.58
Net Audit Adjustment		<u>0</u>		<u>0</u>
Audited Cost/Cost Per Day	\$	<u>507,159</u>		\$ <u>231.58</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2

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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

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.

Chad Lyle
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If you have questions regarding this report, you may call the Audits Section—San Diego at (619) 688-3200.

Original Signed by

Patricia M. Fox, Chief
Audits Section—San Diego
Financial Audits Branch

Certified

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

Provider:
THE ARC OF SAN DIEGO—STAN POTTER

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

NPI:
1902088735

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,190	2,190
2. Medi-Cal Managed Care Days (Adj)	0	0
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>507,159</u>	\$ <u>507,159</u>
6. AVERAGE CLIENT COST PER DAY (Line 5 / Line 4)	\$ <u>231.58</u>	\$ <u>231.58</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>N/A</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:
THE ARC OF SAN DIEGO—STAN POTTER

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

NPI:
1902088735

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		\$ 7,983	\$	\$ 7,983
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest		11,319		11,319
070	Property Insurance		3,409		3,409
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)*		\$ 22,711	\$ 0	\$ 22,711
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 19,076	\$	\$ 19,076
085	Utilities		10,787		10,787
090	Client Transportation (excluding Adult Day Services)		6,240		6,240
095	Dietary		15,993		15,993
100	Personal Care and Laundry		10,262		10,262
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)*		\$ 62,358	\$ 0	\$ 62,358
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 85,069	\$ 0	\$ 85,069
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,936	\$	\$ 10,936
120	QMRP Fringe Benefits		2,682		2,682
125	Lead Salaries		50,793		50,793
130	Lead Fringe Benefits		9,833		9,833
135	Aides Salaries		131,939		131,939
140	Aides Fringe Benefits		23,243		23,243
145	Other Salaries		41,230		41,230
150	Other Fringe Benefits		8,940		8,940
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 279,596	\$ 0	\$ 279,596

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 499	\$	\$ 499
165	Speech Pathology Consultant		180		180
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant		1,573		1,573
180	Pharmacist Consultant		100		100
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant		1,673		1,673
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,024	\$ 0	\$ 4,024
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		22,171		22,171
230	Other General and Administrative (excluding Adult Day Services)		116,299		116,299
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 138,470	\$ 0	\$ 138,470
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 507,159	\$ 0	\$ 507,159
	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)		\$ 507,159	\$ 0	\$ 507,159

* Includes \$1.00 variance, due to provider's rounding.