

**REPORT
ON THE
RATE SETTING AUDIT**

**STEPHANIE'S ICF/DD-N
SOUTH SAN FRANCISCO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1053536011**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Louise Wong
Audit Supervisor: Marisa Ho
Auditor: Eileen Kuang**



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



EDMUND G. BROWN JR.
GOVERNOR

January 23, 2012

Don Veridiano, Owner
Stephanie's ICF/DD-N
776 Del Monte Avenue
South San Francisco, CA 94080

STEPHANIE'S ICF/DD-N
NATIONAL PROVIDER IDENTIFIER (NPI) 1053536011
FISCAL PERIOD ENDED DECEMBER 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 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	\$	368,675	\$ 226.88
Net Audit Adjustment		<u>(35,877)</u>	<u>(48.05)</u>
Audited Cost/Cost Per Day	\$	<u>332,798</u>	\$ <u>178.83</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Don Veridiano
Page 2

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:
STEPHANIE'S ICF/DD-N

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1053536011

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	0	195
2. Medi-Cal Managed Care Days (Adj 8)	1,625	1,666
3. Other Client Days (Adj)		0
4. Total Client Days (Adj 8)	<u>1,625</u>	<u>1,861</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>368,675</u>	\$ <u>332,798</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>226.88</u>	\$ <u>178.83</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
--	--------------	-------------

OVERPAYMENTS

1. Duplicate Payments (Adj)	\$ _____	\$ 0
2. Credit Balances (Adj)	\$ _____	\$ 0
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STEPHANIE'S ICF/DD-N

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1053536011

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	3	\$ 4,674	\$ (714)	\$ 3,960
050	Leases and Rentals				0
055	Real Property Taxes		5,403	0	5,403
060	Personal Property Taxes				0
065	Mortgage Interest	3	35,366	(24,285)	11,081
070	Property Insurance		3,642	0	3,642
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 49,085	\$ (24,999)	\$ 24,086
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 6,170	\$ 0	\$ 6,170
085	Utilities		8,028	0	8,028
090	Client Transportation (excluding Adult Day Services)	1,2	5,659	(4,210)	1,449
095	Dietary		3,205	0	3,205
100	Personal Care and Laundry		2,475	0	2,475
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,538	\$ (4,210)	\$ 21,328
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 74,623	\$ (29,209)	\$ 45,414
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 17,000	\$ 0	\$ 17,000
120	QMRP Fringe Benefits	6	2,912	(271)	2,641
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries	5	117,316	(5,919)	111,397
140	Aides Fringe Benefits	6	20,093	(2,842)	17,251
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 157,320	\$ (9,032)	\$ 148,288

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STEPHANIE'S ICF/DD-N

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1053536011

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,530	\$ 0	\$ 1,530
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		780	0	780
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		87,743	0	87,743
190	Psychologist Consultant		1,360	0	1,360
195	Physician Consultant				0
200	Recreational Consultant		1,250	0	1,250
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 92,663	\$ 0	\$ 92,663
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 19,465	\$ 0	\$ 19,465
225	Administrative Fringe Benefits	6	543	3,113	3,656
226	Quality Assurance Fees (excluding Adult Day Services)		14,965	0	14,965
230	Other General and Administrative*** (excluding Adult Day Services)	4	9,098	(750)	8,348
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 44,070	\$ 2,363	\$ 46,433
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 368,675	\$ (35,878)	\$ 332,798
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
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)		\$ 368,675	\$ (35,877)	\$ 332,798

Page 2 of 2

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

*** List allocated administrative costs on Line 230

Provider Name		Fiscal Period				Provider NPI		Adjustments		
STEPHANIE'S ICF/DD-N		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010				1053536011		8		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted		
		Line	Col.	Line	Col.					
ADJUSTMENTS TO REPORTED COSTS										
1	4	090	4	2	090	3	Client Transportation To eliminate auto insurance expenses that are not patient care related. CMS Pub. 15-1, Sections 2102.3, 2300, and 2304	\$5,659	(\$2,425)	\$3,234 *
2	4	090	4	2	090	3	Client Transportation To eliminate auto expenses that are not patient care related. CMS Pub. 15-1, Sections 2102.3, 2300, and 2304	\$3,234	(\$1,785)	\$1,449
3	4	045	4	2	045	3	Depreciation and Amortization	\$4,674	(\$714)	\$3,960
4	4	065	4	2	065	3	Mortgage Interest To eliminate nonallowable depreciation and interest expense for assets subject to DEFRA/BBA. 42 CFR 413.134 CMS Pub. 15-1, Sections 104.10, 202, 203, and 1005	35,366	(24,285)	11,081
4	4.1	230	4	2	230	3	Other General and Administrative To eliminate membership fees for nonpatient care related items. CMS Pub. 15-1, Sections 2102.3 and 2104.3	\$9,098	(\$750)	\$8,348
5	4.1	135	4	2	135	3	Aides Salaries To adjust the reported Aides salaries to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304	\$117,316	(\$5,919)	\$111,397
6	4.1	120	4	2	120	3	QMRP Fringe Benefits	\$2,912	(\$271)	\$2,641
	4.1	140	4	2	140	3	Aides Benefits	20,093	(2,842)	17,251
	4.1	225	4	2	225	3	Administrative Fringe Benefits To adjust the reported fringe benefits to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304	543	3,113	3,656

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider NPI		Adjustments	
STEPHANIE'S ICF/DD-N		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1053536011		8	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Col.	Col.
		Cost Report	Audit Report				
7	2	3	1	1	1	2	195
<p style="text-align: center;">ADJUSTMENTS TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Client Days</p> <p>To adjust reported Medi-Cal Client days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2010 through December 31, 2010 Payment Period: January 1, 2010 through October 30, 2011 Report Date: October 31, 2011 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</p>							
8	2	3	2	1	1	2	1,625
	3	3	4	1	1	2	1,625
<p>Medi-Cal Managed Care Days</p> <p>Total Client Days</p> <p>To adjust Medi-Cal Managed Care days and Total Client days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304</p>							
							41
							236
							1,666
							1,861