

**REPORT
ON THE
RATE SETTING AUDIT**

**PORTSMOUTH ICF/DD-H
HAYWARD, CALIFORNIA
PROVIDER NUMBER: LTC60941F AND
NPI NUMBER: 1861534190**

**FISCAL PERIOD ENDED
DECEMBER 31, 2007**

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

**Section Chief: Louise Wong
Audit Supervisor: Jesse Duran
Auditor: Liza Pilapil**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

January 13, 2009

Paul Mohseni and Mones Mohseni
Owners/Partners
Portsmouth ICF/DD-H
27695 Portsmouth Avenue
Hayward, CA 94545

PROVIDER: PORTSMOUTH ICF/DD-H
PROVIDER NO. LTC60941F AND NPI NO. 1861534190
FISCAL PERIOD ENDED DECEMBER 31, 2007

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	\$	264,235	\$ 120.66
Net Audit Adjustment		<u>(7,938)</u>	<u>19.78</u>
Audited Cost/Cost Per Day	\$	<u>256,297</u>	\$ <u>140.44</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
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:

Chief
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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
P.O. Box 997413
Sacramento, CA 95899-7413

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 95814-5005
(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:
PORTSMOUTH ICF/DD-H

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60941F

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 7)	2,190	1,825
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,190</u>	<u>1,825</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>264,235</u>	\$ <u>256,297</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>120.66</u>	\$ <u>140.44</u>

SHARE OF COST

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

1. Medi-Cal Overpayments (Adj)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PORTSMOUTH ICF/DD-H

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60941F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization		\$ 7,738	\$ 0	\$ 7,738
050	Leases and Rentals				0
055	Real Property Taxes				0
060	Personal Property Taxes		1,461	0	1,461
065	Mortgage Interest		8,977	0	8,977
070	Property Insurance	2	6,470	(5,312)	1,158
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 24,646	\$ (5,312)	\$ 19,334
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 125	\$ 0	\$ 125
085	Utilities	1,3	4,687	910	5,597
090	Client Transportation	4	9,180	(1,836)	7,344
095	Dietary	1	18,125	(1,006)	17,119
100	Personal Care and Laundry				0
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,117	\$ (1,932)	\$ 30,185
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 56,763	\$ (7,244)	\$ 49,519
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 10,063	\$ 0	\$ 10,063
120	QMRP Fringe Benefits		1,919	0	1,919
125	Lead Salaries		28,800	0	28,800
130	Lead Fringe Benefits				0
135	Aides Salaries		88,379	0	88,379
140	Aides Fringe Benefits		16,855	0	16,855
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 146,016	\$ 0	\$ 146,016

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PORTSMOUTH ICF/DD-H

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60941F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	5	\$ 895	\$ (695)	\$ 200
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant				0
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		70	0	70
185	Nurse Consultant		4,000	0	4,000
190	Psychologist Consultant				0
195	Physician Consultant		200	0	200
200	Recreational Consultant		1,185	0	1,185
205	Social Service Consultant				0
210	Other Consultant		7,980	0	7,980
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 14,330	\$ (695)	\$ 13,635
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 28,800	\$ 0	\$ 28,800
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		13,597	0	13,597
230	Other Administrative and General		4,730	0	4,730
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 47,127	\$ 0	\$ 47,127
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 264,235	\$ (7,938)	\$ 256,297
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES * (Lines 110, 155, 215, 235 and 240)		\$ 264,235	\$ (7,938)	\$ 256,297

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* \$1 rounding variance noted in reported Total Expenses.

SUMMARY OF AUDITED LABOR REPORT

Provider:
PORTSMOUTH ICF/DD-H

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC60941F

Line No.	Description	AS AUDITED			
		(1) Benefits (Adj 6)	(2) Salaries	(3) Total Hours	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 1,919	\$ 10,063	403	\$ 24.97
2	Lead	0	28,800	2,133	13.50
3	Aides	16,855	88,379	10,398	8.50
4	Other	0	0	0	0.00
5	TOTAL DIRECT CARE (Lines 1 through 4)	\$ 18,774	\$ 127,242	12,934	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 895	18	\$ 49.72
7	Speech Pathology				0.00
8	Physical Therapy				0.00
9	Occupational Therapy				0.00
10	Pharmacist		70	1	70.00
11	Nurse		4,000	160	25.00
12	Psychologist				0.00
13	Physician		200	4	50.00
14	Recreational		1,185	24	49.38
15	Social Service				0.00
16	Other		7,980	177	45.08
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 14,330	384	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$	\$ 28,800	0	\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 18,774	\$ 170,372	13,318	

Provider Name		Fiscal Period		Provider Number		Adjustments	
PORTSMOUTH ICF/DD-H		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60941F		7	
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Line	Col.	Sch			
1	DHS 3076 Page or Exhibit	085 095	4 4	2 2	085 095	\$4,687 18,125	\$5,693 * 17,119
<p style="text-align: center;"><u>RECLASSIFICATION OF REPORTED COSTS</u></p> <p>To reclassify water expense for proper cost classification. CMS Pub. 15-1, Sections 2300 and 2304</p>							

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period				Provider Number		Adjustments	
PORTSMOUTH ICF/DD-H		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007				LTC60941F		7	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted	
		Line	Col.	Sch	Line				
ADJUSTMENTS TO REPORTED COSTS									
2	4 of 6	070	4	2	070	\$6,470	(\$5,312)	\$1,158	
Property Insurance To eliminate property insurance expense due to a lack of documentation. CMS Pub. 15-1, Sections 2300 and 2304									
3	4 of 6	085	4	2	085	\$5,693	(\$96)	\$5,597	
Utilities To eliminate cellular telephone costs not related to patient care. CMS Pub. 15-1, Sections 2102.3 and 2304									
4	4 of 6	090	4	2	090	\$9,180	(\$1,836)	\$7,344	
Client Transportation To eliminate transportation expense due to a lack of documentation and not related to patient care. CMS Pub. 15-1, Sections 2102.3, 2300, and 2304									
5	4.1 of 6	160	4	2	160	\$895	(\$695)	\$200	
Dietitian Consultant To eliminate dietitian consultant expense due to a lack of documentation. CMS Pub. 15-1, Sections 2300 and 2304									

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments	
PORTSMOUTH ICF/DD-H		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60941F		7	
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	As Reported	As Adjusted
		Cost Report	Audit Report				
Explanation of Audit Adjustments							
<u>ADJUSTMENT TO THE LABOR REPORT</u>							
6	6 of 6	1	1	1	3	\$0	\$1,919
	6 of 6	3	1	3	3	0	16,855
	6 of 6	5	1	3	3	0	18,774
	6 of 6	19	1	3	3	0	18,774
QMRP (Benefits) Aides Total Direct Care Total Staff To adjust the Labor Report to agree with reported direct care staff expenses. CMS Pub. 15-1, Sections 2300 and 2304							

Provider Name		Fiscal Period		Provider Number		Adjustments	
PORTSMOUTH ICF/DD-H		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC60941F		7	
Adj. No.	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
	Cost Report	Line	Col.	Sch			
	DHS 3076						
	Page or Exhibit						
7	2 of 6	3		1	2,190	(365)	1,825
	2 of 6	3		1	2,190	(365)	1,825
<p style="text-align: center;">ADJUSTMENT TO REPORTED PATIENT DAYS</p> <p>Medi-Cal Client Days</p> <p>Total Client Days</p> <p>To adjust total patient days to agree with the provider's information.</p> <p>CMS Pub. 15-1, Sections 2205 and 2304</p>							