

**REPORT  
ON THE  
RATE SETTING AUDIT**

**ELENA'S ICF/DD-H  
HAYWARD, CALIFORNIA  
PROVIDER NUMBER: LTC60625F AND  
NPI NUMBER: 1386700664**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2008**

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

**Section Chief: Louise Wong  
Audit Supervisor: Jesse Duran  
Auditor: Kent Huang**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

December 16, 2009

Elena Dumitrescu, Owner  
Elena's ICF/DD-H  
25611 Belhaven St.  
Hayward, CA 94545

PROVIDER: ELENA'S ICF/DD-H  
PROVIDER NO. LTC60625F AND NPI NO. 1386700664  
FISCAL PERIOD ENDED DECEMBER 31, 2008

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	\$	391,155	\$	178.61
Net Audit Adjustment		<u>(43,468)</u>		<u>(19.85)</u>
Audited Cost/Cost Per Day	\$	<u>347,687</u>	\$	<u>158.76</u>

This audit report includes the:

1. Audit Report Schedules 1 through 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.

Elena Dumitrescu  
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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  
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:**  
ELENA'S ICF/DD-H

**Fiscal Period:**  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

**Provider Number:**  
LTC60625F

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days	2,190	2,190
2. Other Client Days	0	0
3. Total Client Days	<u>2,190</u>	<u>2,190</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>391,155</u>	\$ <u>347,687</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>178.61</u>	\$ <u>158.76</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 )	\$ <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:  
ELENA'S ICF/DD-H

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC60625F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	1	\$ 203	\$ 5,261	\$ 5,464
050	Leases and Rentals	1	20,397	(20,397)	0
055	Real Property Taxes	1		2,711	2,711
060	Personal Property Taxes				0
065	Mortgage Interest	1		3,284	3,284
070	Property Insurance	1		1,294	1,294
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 20,600	\$ (7,847)	\$ 12,753
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 8,384	\$ 0	\$ 8,384
085	Utilities		4,399	0	4,399
090	Client Transportation		2,041	0	2,041
095	Dietary		12,938	0	12,938
100	Personal Care and Laundry		4,711	0	4,711
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,473	\$ 0	\$ 32,473
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 53,073	\$ (7,847)	\$ 45,226
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 12,000	\$ 0	\$ 12,000
120	QMRP Fringe Benefits				0
125	Lead Salaries	2	18,933	18,195	37,128
130	Lead Fringe Benefits	2	2,615	1,360	3,975
135	Aides Salaries	2	108,839	(23,408)	85,431
140	Aides Fringe Benefits	2	13,726	2,987	16,713
145	Other Salaries		827	0	827
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 156,940	\$ (866)	\$ 156,074

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
ELENA'S ICF/DD-H

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC60625F

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 901	\$ 0	\$ 901
165	Speech Pathology Consultant		550	0	550
170	Physical Therapy Consultant		636	0	636
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		12,000	0	12,000
190	Psychologist Consultant				0
195	Physician Consultant		1,142	0	1,142
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant		667	0	667
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 15,896	\$ 0	\$ 15,896
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		23,038	0	23,038
230	Other Administrative and General	2,3,4,5,6,7	142,208	(34,755)	107,453
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 165,246	\$ (34,755)	\$ 130,491
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 391,155	\$ (43,468)	\$ 347,687
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 391,155	\$ (43,468)	\$ 347,687

Provider Name		Fiscal Period		Provider Number		Adjustments		
ELENA'S ICF/DD-H		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60625F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
<b>ADJUSTMENTS TO REPORTED COSTS</b>								
1	4 of 6	050	4	2	50	\$20,397	(\$20,397)	\$0
	4 of 6	045	4	2	45	203	5,261	5,464
	4 of 6	055	4	2	55	0	2,711	2,711
	4 of 6	065	4	2	65	0	3,284	3,284
	4 of 6	070	4	2	70	0	1,294	1,294
Leases and Rentals Depreciation and Amortization Real Property Taxes Mortgage Interest Property Insurance To include cost of ownership in lieu of related party lease expenses. CMS Pub. 15-1, Sections 104, 203, 1005, 1011, and 2304								
2	4.1 of 6	125	4	2	125	\$18,933	\$18,195	\$37,128
	4.1 of 6	130	4	2	130	2,615	1,360	3,975
	4.1 of 6	135	4	2	135	108,839	(23,408)	85,431
	4.1 of 6	140	4	2	140	13,726	2,987	16,713
	4.1 of 6	230	4	2	230	142,208	833	143,041 *
Lead Salaries Lead Benefits Aids Salaries Aides Benefits Other General and Administrative To adjust reported labor costs to agree with the provider's records. CMS Pub. 15-1, Sections 2300 and 2304								

Provider Name		Fiscal Period		Provider Number		Adjustments		
ELENA'S ICF/DD-H		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60625F		7		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report					
		230	4	230	2			
	4.1 of 6					\$143,041		
3							(\$129)	
4							(805)	
5							(1,308)	
6							(31,208)	
7							(2,138)	
							(\$35,588)	\$107,453

**ADJUSTMENTS TO REPORTED COSTS**

Other General and Administrative \* \$143,041

To eliminate the nonallowable bank charges related to late fees and overdraft fees for proper cost determination.  
CMS Pub. 15-1, Sections 2102, 2300, and 2304

To eliminate contribution costs not related to patient care.  
CMS Pub. 15-1, Sections 608, 610, and 2102

To eliminate the nonallowable accounting fee related to income taxes preparation.  
CMS Pub. 15-1, Sections 2102, 2122, and 2300

To eliminate nonallowable federal income taxes and penalties for proper cost determination.  
CMS Pub. 15-1, Sections 2102, 2122.2A, and 2122.2B

To eliminate nonallowable state income taxes and penalties for proper cost determination.  
CMS Pub. 15-1, Sections 2102, 2122.2A, and 2122.2B

\*Balance carried forward from prior/to subsequent adjustments