

**REPORT  
ON THE  
RATE SETTING AUDIT**

**FRANCISCO ICF/DDN  
ANTIOCH, CALIFORNIA  
PROVIDER NUMBER: LTC80254G AND  
NPI NUMBER: 1538388038**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2009**

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

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



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



EDMUND G. BROWN JR.  
GOVERNOR

January 26, 2011

Rosemarie Verdiano, Owner  
Francisco ICF/DDN  
3359 S. Francisco Way  
Antioch, CA 94509

PROVIDER: FRANCISCO ICF/DDN  
PROVIDER NUMBER: LTC80254G  
NPI NUMBER: 1538388038  
FISCAL PERIOD ENDED DECEMBER 31, 2009

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	\$	338,230	\$ 189.59
Net Audit Adjustment		<u>(32,174)</u>	<u>(18.03)</u>
Audited Cost/Cost Per Day	\$	<u>306,056</u>	\$ <u>171.56</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—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:**  
FRANCISCO ICF/DDN

**Fiscal Period:**  
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

**Provider Number:**  
LTC80254G

**Provider NPI:**  
1538388038

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	1,784	1,784
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>1,784</u>	<u>1,784</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>338,230</u>	\$ <u>306,056</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>189.59</u>	\$ <u>171.56</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 )	\$ _____	\$ _____
2. Credit Balances (Adj )	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
FRANCISCO ICF/DDN

Fiscal Period:  
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:  
LTC80254G

NPI:  
1538388038

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 7,714	\$ 0	\$ 7,714
050	Leases and Rentals				0
055	Real Property Taxes		3,290	0	3,290
060	Personal Property Taxes				0
065	Mortgage Interest		7,748	0	7,748
070	Property Insurance		2,304	0	2,304
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 21,056	\$ 0	\$ 21,056
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance	1	\$ 3,279	\$ (673)	\$ 2,606
085	Utilities	2	11,712	(1,705)	10,007
090	Client Transportation	3, 4, 5, 6, 7, 8,	5,156	(2,122)	3,034
095	Dietary		7,997	0	7,997
100	Personal Care and Laundry		658	0	658
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 28,802	\$ (4,500)	\$ 24,302
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 49,858	\$ (4,500)	\$ 45,358
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries	12	\$ 18,000	\$ (15,750)	\$ 2,250
120	QMRP Fringe Benefits	12	2,771	(2,425)	346
125	Lead Salaries		33,380	0	33,380
130	Lead Fringe Benefits		5,139	0	5,139
135	Aides Salaries		127,129	0	127,129
140	Aides Fringe Benefits		19,572	0	19,572
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 205,991	\$ (18,175)	\$ 187,816

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
FRANCISCO ICF/DDN

Fiscal Period:  
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:  
LTC80254G

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
<b>EXPENSES: CONSULTANT COSTS</b>					
160	Dietician Consultant	9	\$ 945	\$ (210)	\$ 735
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		700	0	700
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant	10	18,144	(9,072)	9,072
190	Psychologist Consultant	11	527	(217)	310
195	Physician Consultant				0
200	Recreational Consultant		713	0	713
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 21,029	\$ (9,499)	\$ 11,530
<b>EXPENSES: ADMINISTRATIVE COSTS</b>					
220	Administrative Salaries		\$ 40,102	\$ 0	\$ 40,102
225	Administrative Fringe Benefits		362	0	362
226	Quality Assurance Fees		17,761	0	17,761
230	Other Administrative and General		3,127	0	3,127
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 61,352	\$ 0	\$ 61,352
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 338,230	\$ (32,174)	\$ 306,056
			(To Sch. 1)		(To Sch. 1)
<b>NON-CLIENT CARE EXPENSES</b>					
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 338,230	\$ (32,174)	\$ 306,056

Provider Name		Fiscal Period				Provider Number		Adjustments	
FRANCISCO ICF/DDN		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC80254G		12	
Adj. No.	Page or Exhibit	Report References			Line	Col.	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Sch	Col.					
1	4 of 6	080	4	2	80	3	\$3,279	(\$673)	\$2,606
Plant Operations and Maintenance To disallow home operations and maintenance expense due to a lack of documentation. CMS Pub. 15-1, Sections 2300 and 2304									
2	4 of 6	085	4	2	85	3	\$11,712	(\$1,705)	\$10,007
Utilities To revise reported utility expenses and allocate among all facilities managed by the home office. CMS Pub. 15-1, Sections 2300 and 2304									
3	4 of 6	090	4	2	90	3	\$5,156		
Client Transportation To revise vehicle registration expense due to recording error. CMS Pub. 15-1, Sections 2300 and 2304									
4								(213)	
To revise vehicle insurance expense for recording error and not related to patient care. CMS Pub. 15-1, Sections 2300 and 2304									
5								(1,246)	
To eliminate fuel cost not related to patient care. CMS Pub. 15-1, Sections 2300 and 2304									
6								(302)	
To eliminate repairs and maintenance expense not patient care related. CMS Pub. 15-1, Sections 2300 and 2304									
7								(163)	
To eliminate vehicle expense due to lack of documentation. CMS Pub. 15-1, Sections 2300 and 2304									
8								(\$119)	\$3,034
								(\$2,122)	

Provider Name		Fiscal Period		Provider Number		Adjustments		
FRANCISCO ICF/DDN		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80254G		12		
Adj. No.	Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Line	Col.			
<b>ADJUSTMENTS TO REPORTED COSTS</b>								
9	4.1 of 6	160	4	2	160	3	\$945	\$735
		Dietician Consultant To adjust the reported dietician consultant expense for proper accrual accounting. CMS Pub. 15-1, Sections 2300 and 2304						
10	4.1 of 6	185	4	2	185	3	\$18,144	\$9,072
		Nurse Consultant To revise the reported nurse consultant expense and allocate expense to all related facilities. CMS Pub. 15-1, Sections 2150, 2153, 2300, and 2304						
11	4.1 of 6	190	4	2	190	3	\$527	\$310
		Psychologist Consultant To adjust the reported psychologist consultant expense for proper accrual accounting. CMS Pub. 15-1, Sections 2300 and 2304						
12	4.1 of 6	115	4	2	115	3	\$18,000	\$2,250
4.1 of 6		120	4	2	120	3	2,771	(2,425)
		QMRP Salaries QMRP Benefits To revise reported QMRP salaries and benefits and to allocate expenses to all related facilities. CMS Pub. 15-1, Sections 2150, 2153, 2300, and 2304						