

**REPORT
ON THE
RATE SETTING AUDIT**

**STANWIN HOME
ARLETA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1356559561**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Gertrude Lake
Auditor: Jeff Mai**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 1, 2013

Administrator
Stanwin Home
9580 Stanwin Avenue
Arleta, CA 91331

STANWIN HOME
NATIONAL PROVIDER IDENTIFIER (NPI) 1356559561
FISCAL PERIOD ENDED DECEMBER 31, 2011

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	\$	375,906	\$ 171.65
Net Audit Adjustment		<u>(32,744)</u>	<u>(14.96)</u>
Audited Cost/Cost Per Day	\$	<u>343,162</u>	\$ <u>156.69</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 Fee-For-Service Rates Development Division.

Administrator
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:

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—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
STANWIN HOME

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1356559561

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>375,906</u>	\$ <u>343,162</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>171.65</u>	\$ <u>156.69</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</u>	\$ <u>0</u>
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:
STANWIN HOME

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1356559561

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	1	\$ 14,474	\$ (9,299)	\$ 5,175
050	Leases and Rentals		0		0
055	Real Property Taxes		3,840		3,840
060	Personal Property Taxes		0		0
065	Mortgage Interest		18,219		18,219
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 36,533	\$ (9,299)	\$ 27,234
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 2,985	\$	\$ 2,985
085	Utilities		3,955		3,955
090	Client Transportation (excluding Adult Day Services)	2	4,425	(1,118)	3,307
095	Dietary	3	13,715	(104)	13,611
100	Personal Care and Laundry		200		200
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,280	\$ (1,222)	\$ 24,058
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 61,813	\$ (10,521)	\$ 51,292
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 5,100	\$	\$ 5,100
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		23,117		23,117
130	Lead Fringe Benefits		5,473		5,473
135	Aides Salaries		106,369		106,369
140	Aides Fringe Benefits		24,723		24,723
145	Other Salaries		330		330
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 165,112	\$ 0	\$ 165,112

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STANWIN HOME

Fiscal Period:
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:
1356559561

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 400	\$	\$ 400
165	Speech Pathology Consultant		1,355		1,355
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		1,995		1,995
180	Pharmacist Consultant		0		0
185	Nurse Consultant		7,193		7,193
190	Psychologist Consultant		1,100		1,100
195	Physician Consultant		0		0
200	Recreational Consultant		756		756
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 12,799	\$ 0	\$ 12,799
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **	4, 5	\$ 82,300	\$ (20,800)	\$ 61,500
225	Administrative Fringe Benefits		13,728		13,728
226	Quality Assurance Fees (excluding Adult Day Services)		19,363		19,363
230	Other General and Administrative*** (Excluding Adult Day Services)	6, 7, 8	20,791	(1,423)	19,368
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 136,182	\$ (22,223)	\$ 113,959
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 375,906	\$ (32,744)	\$ 343,162
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		141,140		141,140
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 517,046	\$ (32,744)	\$ 484,302

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		
STANWIN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1356559561	8		
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col					
ADJUSTMENTS TO REPORTED COSTS											
1	4	45	4	2	45	2	Depreciation and Amortization To adjust the reported depreciation expense to agree with the provider records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$14,474	(\$9,299)	\$5,175	
2	4	90	4	2	90	2	Client Transportation To adjust the reported car insurance expense to agree with the provider's record. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$4,425	(\$1,118)	\$3,307	
3	4	95	4	2	95	2	Dietary To eliminate buffet expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$13,715	(\$104)	\$13,611	
	4.1	220	4	2	220	2	Administrative Salaries	\$82,300			
4							To adjust the Administrative salary expenses to agree with the general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(\$6,000)		
5							To eliminate Administrative salary expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(14,800) <u>(\$20,800)</u>	\$61,500	

Provider Name							Fiscal Period	Provider NPI		Adjustments
STANWIN HOME							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1356559561		8
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
	4.1	230	4	2	230	2	Other General and Administrative	\$20,791		
6							To adjust phone expense to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 2304 and 2306		(\$111)	
7							To eliminate franchise tax expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		(800)	
8							To adjust the reported liability insurance cost to agree with the liability insurance policies. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		<u>(512)</u> <u>(\$1,423)</u>	\$19,368