

**REPORT
ON THE
RATE SETTING AUDIT**

**STORM HAVEN
WEST COVINA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1194847459**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Sandra Hy**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: July 02 2013

Harvienia Scott, Administrator
Storm Haven
18800 Amar Road, Suite C-12
Walnut, CA 91789

PROVIDER: STORM HAVEN
NATIONAL PROVIDER IDENTIFIER (NPI) 1194847459
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	\$	321,627		\$ 146.86
Net Audit Adjustment		<u>(24,209)</u>		<u>(11.05)</u>
Audited Cost/Cost Per Day	\$	<u>297,418</u>		\$ <u>135.81</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.

Harvienia Scott
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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:

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—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
STORM HAVEN

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

Provider NPI:
1194847459

**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>321,627</u>	\$ <u>297,418</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>146.86</u>	\$ <u>135.81</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)	\$ <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:
STORM HAVEN

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

Provider NPI:
1194847459

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	14	\$ 6,064	\$ 5,490	\$ 11,554
050	Leases and Rentals	9	57,371	(57,371)	0
055	Real Property Taxes				0
060	Personal Property Taxes				0
065	Mortgage Interest	14	0	7,226	7,226
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 63,435	\$ (44,655)	\$ 18,780
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,2,3,4,10,11,15	\$ 32,499	\$ (10,966)	\$ 21,533
085	Utilities	13	8,103	(2,231)	5,872
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		11,638		11,638
100	Personal Care and Laundry	8,12	17,813	(5,140)	12,673
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 70,053	\$ (18,337)	\$ 51,716
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 133,488	\$ (62,992)	\$ 70,496
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$	\$	\$ 0
120	QMRP Fringe Benefits				0
125	Lead Salaries				0
130	Lead Fringe Benefits				0
135	Aides Salaries	7	51,487	37,279	88,766
140	Aides Fringe Benefits	16	7,646	3,228	10,874
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 59,133	\$ 40,507	\$ 99,640

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STORM HAVEN

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

Provider NPI:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant	6	\$ 2,173	\$ (624)	\$ 1,549
165	Speech Pathology Consultant				0
170	Physical Therapy Consultant		696		696
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		156		156
185	Nurse Consultant				0
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant	5	1,332	(1,100)	232
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,357	\$ (1,724)	\$ 2,633
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		19,362		19,362
230	Other General and Administrative*** (Excluding Adult Day Services)		105,287		105,287
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 124,649	\$ 0	\$ 124,649
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 321,627	\$ (24,209)	\$ 297,418
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		234,529		234,529
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 556,156	\$ (24,209)	\$ 531,947

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
STORM HAVEN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1194847459		16
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
ADJUSTMENTS TO REPORTED COSTS										
1	4	80	4	2	80	Homes Operation and Maintenance To eliminate cleaning expense due to insufficient documentatio 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$32,499	(\$171)	\$32,328 *	
2	4	80	4	2	80	Homes Operation and Maintenance To eliminate equipment rental expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$32,328	(\$891)	\$31,437 *	
3	4	80	4	2	80	Homes Operation and Maintenance To eliminate health supplies expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$31,437	(\$400)	\$31,037 *	
4	4	80	4	2	80	Homes Operation and Maintenance To eliminate household supplies expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$31,037	(\$1,625)	\$29,412 *	
5	4.1	210	4	2	210	Other Consultant To eliminate other consultant expense that is not applicable to the audited facility. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,332	(\$1,100)	\$232	
6	4.1	160	4	2	160	Dietician Consultant To eliminate prior year dietician consultant expense based on the provider's invoices. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$2,173	(\$624)	\$1,549	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
STORM HAVEN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1194847459		16
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
7	4.1	135	4	2	135	Aides Salaries To adjust the aides salaries expense to agree with the provider's payroll records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$51,487	\$37,279	\$88,766	
8	4	100	4	2	100	Personal Care and Laundry To eliminate equipment rental expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$17,813	(\$3,840)	\$13,973 *	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
STORM HAVEN							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1194847459		16
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
9	4	50	4	2	50	Leases and Rentals To eliminate rental expenses paid to a related party. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	\$57,371	(\$57,371)	\$0	
10	4	80	4	2	80	Home Operations and Maintenance To eliminate prior year repair and maintenance expense based on the provider's invoices. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	* \$29,412	(\$5,500)	\$23,912 *	
11	4	80	4	2	80	Home Operations and Maintenance To eliminate repair and maintenance expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$23,912	(\$1,100)	\$22,812 *	
12	4	100	4	2	100	Personal Care & Laundry To eliminate personal care and laundry expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$13,973	(\$1,300)	\$12,673	
13	4	85	4	2	85	Utilities To eliminate utilities expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$8,103	(\$2,231)	\$5,872	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
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Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
14	4	45	4	2	45	Depreciation and Amortization	\$6,064	\$5,490	\$11,554	
	4	65	4	2	65	Mortgage Interest To include cost of ownership in lieu of related party lease expenses. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	0	7,226	7,226	
15	4	80	4	2	80	Homes Operation and Maintenance To eliminate health supplies expense that is not applicable to the audited facility. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	* \$22,812	(\$1,279)	\$21,533	
16	4.1	140	4	2	140	Aides Benefits To adjust the aides benefits to agree with provider's payroll records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$7,646	\$3,228	\$10,874	

*Balance carried forward from prior/to subsequent adjustments