

**REPORT  
ON THE  
RATE SETTING AUDIT**

**STAHL HOUSE  
PASADENA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1467667154**

**FISCAL PERIOD ENDED  
JUNE 30, 2012**

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

**Section Chief: Daniel J. Giardinelli  
Audit Supervisor: Debra K. Blake  
Auditor: Lee Ly**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 1, 2013

Kelly White  
Chief Executive Officer  
Villa Esperanza Services  
2060 East Villa Street  
Pasadena, CA 91107

STAHL HOUSE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1467667154  
FISCAL PERIOD ENDED JUNE 30, 2012

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from Share of Cost. 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, patient days, and use of share of cost 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	\$	379,330	\$ 172.74
Net Audit Adjustment		<u>(104)</u>	<u>(.05)</u>
Audited Cost/Cost Per Day	\$	<u>379,226</u>	\$ <u>172.69</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.

Kelly White  
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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—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:**  
STAHL HOUSE

**Fiscal Period:**  
JULY 1, 2011 THROUGH JUNE 30, 2012

**Provider NPI:**  
1467667154

**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 9)	2,196	1,892
2. Medi-Cal Managed Care Days (Adj )	0	0
3. Other Client Days (Adj 9)	0	304
4. Total Client Days	<u>2,196</u>	<u>2,196</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>379,330</u>	\$ <u>379,226</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>172.74</u>	\$ <u>172.69</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>0</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:  
STAHL HOUSE

Fiscal Period:  
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:  
1467667154

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		\$ 8,256	\$	\$ 8,256
050	Leases and Rentals		0		0
055	Real Property Taxes	4, 6	1,310	0	1,310
060	Personal Property Taxes		0		0
065	Mortgage Interest		333		333
070	Property Insurance	7	3,676	(104)	3,572
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 13,575	\$ (104)	\$ 13,471
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 2,070	\$	\$ 2,070
085	Utilities	5	16,123	(1,497)	14,626
090	Client Transportation (excluding Adult Day Services)		1,033		1,033
095	Dietary	1, 6	10,541	0	10,541
100	Personal Care and Laundry	1, 6	4,655	0	4,655
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 34,422	\$ (1,497)	\$ 32,925
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 47,997	\$ (1,601)	\$ 46,396
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries	2, 6	\$ 5,399	\$ 0	\$ 5,399
120	QMRP Fringe Benefits	2, 6	1,648	0	1,648
125	Lead Salaries		0		0
130	Lead Fringe Benefits		0		0
135	Aides Salaries	2, 3, 6	163,297	0	163,297
140	Aides Fringe Benefits	2, 3, 6	46,830	0	46,830
145	Other Salaries		0		0
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 217,174	\$ 0	\$ 217,174

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
STAHL HOUSE

Fiscal Period:  
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:  
1467667154

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		\$ 1,375	\$	\$ 1,375
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		0		0
180	Pharmacist Consultant		0		0
185	Nurse Consultant		0		0
190	Psychologist Consultant		4,280		4,280
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant		2,804		2,804
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 8,459	\$ 0	\$ 8,459
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **	3, 6	\$ 10,215	\$ 0	\$ 10,215
225	Administrative Fringe Benefits	3, 6	1,648	0	1,648
226	Quality Assurance Fees (excluding Adult Day Services)		17,084		17,084
230	Other General and Administrative*** (Excluding Adult Day Services)	4, 5, 6	76,753	1,497	78,250
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 105,700	\$ 1,497	\$ 107,197
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 379,330	\$ (104)	\$ 379,226
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 129	\$	\$ 129
241	Adult Day Services and Related Transportation	6, 8	35,125	0	35,125
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 414,584	\$ (104)	\$ 414,480

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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		
STAHL HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1467667154	9		
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					
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>											
1	4	100	4	2	100	3	Personal Care and Laundry	\$4,655	(\$1,020)	\$3,635 *	
	4	095	4	2	095	3	Dietary	10,541	1,020	11,561 *	
							To reclassify food supplies expenses to the appropriate cost center for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8				
2	4.1	135	4	2	135	3	Aides Salaries	\$163,297	(\$5,399)	\$157,898 *	
	4.1	140	4	2	140	3	Aides Fringe Benefits	46,830	(1,648)	45,182 *	
	4.1	115	4	2	115	3	QMRP Salaries	5,399	5,399	10,798 *	
	4.1	120	4	2	120	3	QMRP Fringe Benefits	1,648	1,648	3,296 *	
							To reclassify QMRP expenses to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8				
3	4.1	135	4	2	135	3	Aides Salaries	* \$157,898	(\$10,215)	\$147,683 *	
	4.1	140	4	2	140	3	Aides Fringe Benefits	* 45,182	(1,025)	44,157 *	
	4.1	220	4	2	220	3	Administrative Salaries	10,215	10,215	20,430 *	
	4.1	225	4	2	225	3	Administrative Fringe Benefits	1,648	1,025	2,673 *	
							To reclassify administrative expenses to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8				
4	4.1	230	4	2	230	3	Other General and Administrative	\$76,753	(\$1,310)	\$75,443 *	
	4	055	4	2	055	3	Real Property Taxes	1,310	1,310	2,620 *	
							To reclassify property tax expense to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8				

Provider Name							Fiscal Period	Provider NPI		Adjustments
STAHL HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1467667154		9
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				
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
5	4	085	4	2	085	3	Utilities	\$16,123	(\$1,497)	\$14,626
	4.1	230	4	2	230	3	Other General and Administrative To reclassify capitalized equipment expenses to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8	* 75,443	1,497	76,940 *

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
STAHL HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1467667154		9	
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					
<b>ADJUSTMENTS TO REPORTED COSTS</b>											
6	4	055	4	2	055	3	Real Property Taxes	*	\$2,620	(\$1,310)	\$1,310
	4	095	4	2	095	3	Dietary	*	11,561	(1,020)	10,541
	4	100	4	2	100	3	Personal Care and Laundry	*	3,635	1,020	4,655
	4.1	115	4	2	115	3	QMRP Salaries	*	10,798	(5,399)	5,399
	4.1	120	4	2	120	3	QMRP Fringe Benefits	*	3,296	(1,648)	1,648
	4.1	135	4	2	135	3	Aides Salaries	*	147,683	15,614	163,297
	4.1	140	4	2	140	3	Aides Fringe Benefits	*	44,157	2,673	46,830
	4.1	220	4	2	220	3	Administrative Salaries	*	20,430	(10,215)	10,215
	4.1	225	4	2	225	3	Administrative Fringe Benefits	*	2,673	(1,025)	1,648
	4.1	230	4	2	230	3	Other General and Administrative	*	76,940	1,310	78,250
	4.1	241	4	2	241	3	Adult Day Services and Related Transportation		35,125	(35,125)	0 *
							To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
7	4	070	4	2	070	3	Property Insurance		\$3,676	(\$104)	\$3,572
							To adjust the liability insurance expense to agree with the insurance policy. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
8	4.1	241	4	2	241	3	Adult Day Services and Related Transportation	*	\$0	\$35,125	\$35,125
							To include the adult day services and related transportation expense to agree with the provider's record. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
STAHL HOUSE							JULY 1, 2011 THROUGH JUNE 30, 2012	1467667154		9
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				
<b><u>ADJUSTMENT TO REPORTED PATIENT DAYS</u></b>										
9	2	3	1	1	1	1	Medi-Cal Client Days	2,196	(304)	1,892
	2	3	3	1	3	1	Other Client Days To reclassify Medi-Cal client days to agree with the provider's census records and Medi-Cal paid claims summary report. 42 CFR 413.20, 413.24, and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	0	304	304