

**REPORT
ON THE
RATE SETTING AUDIT**

**STAHL HOUSE
PASADENA, CALIFORNIA
PROVIDER NUMBERS: LTC60466F / NPI 1467667154**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

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

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Allen Dervi
Auditor: Erica Nguyen**



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



EDMUND G. BROWN JR.
GOVERNOR

December 7, 2011

Kelly White
Chief Executive Officer
443 North Craig Street
Pasadena, CA 91107

STAHL HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1467667154
FISCAL PERIOD ENDED JUNE 30, 2010

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	\$	358,602	\$ 182.68
Net Audit Adjustment		<u>(1,683)</u>	<u>(0.86)</u>
Audited Cost/Cost Per Day	\$	<u>356,919</u>	\$ <u>181.82</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments that include a summary of the total due the State in the amount of \$967, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statement(s) of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statement(s) of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statement(s) of Account Status.

Kelly White
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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:

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, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1467667154

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,963	1,963
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>1,963</u>	<u>1,963</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>358,602</u>	\$ <u>356,919</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>182.68</u>	\$ <u>181.82</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. Medi-Cal Overpayments (Adj 10)	\$ <u>0</u>	\$ <u>967</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>967</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STAHL HOUSE

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1467667154

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		\$ 8,256	\$	\$ 8,256
050	Leases and Rentals		0		0
055	Real Property Taxes		1,242		1,242
060	Personal Property Taxes		0		0
065	Mortgage Interest		194		194
070	Property Insurance	1	83	(83)	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 9,775	\$ (83)	\$ 9,692
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	4	\$ 5,425	\$ (159)	\$ 5,266
085	Utilities		10,033		10,033
090	Client Transportation (excluding Adult Day Services)		279		279
095	Dietary		16,002		16,002
100	Personal Care and Laundry	5	2,954	(109)	2,845
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 34,693	\$ (268)	\$ 34,425
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 44,468	\$ (351)	\$ 44,117
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries	8	\$ 9,186	\$ (2,588)	\$ 6,598
120	QMRP Fringe Benefits	3, 9	0	965	965
125	Lead Salaries		0		0
130	Lead Fringe Benefits		0		0
135	Aides Salaries	2, 8	164,346	(22,531)	141,815
140	Aides Fringe Benefits	2, 3, 9	6,407	38,608	45,015
145	Other Salaries		0		0
150	Other Fringe Benefits	3	18,284	(18,284)	0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 198,223	\$ (3,830)	\$ 194,393

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STAHL HOUSE

Fiscal Period:
JULY 1, 2009 THROUGH JUNE 30, 2010

Provider NPI:
1467667154

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
EXPENSES: CONSULTANT COSTS					
160	Dietician Consultant		\$ 1,363	\$	\$ 1,363
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	6	3,493	(55)	3,438
195	Physician Consultant		0		0
200	Recreational Consultant		0		0
205	Social Service Consultant		0		0
210	Other Consultant	7	2,836	(206)	2,630
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 7,692	\$ (261)	\$ 7,431
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **	2, 8	\$ 23,747	\$ 429	\$ 24,176
225	Administrative Fringe Benefits	2, 3, 9	517	2,247	2,764
226	Quality Assurance Fees (excluding Adult Day Services)		14,012		14,012
230	Other General and Administrative*** (Excluding Adult Day Services)	1	69,943	83	70,026
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 108,219	\$ 2,759	\$ 110,978
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 358,602	\$ (1,683)	\$ 356,919
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$ 512	\$	\$ 512
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 359,114	\$ (1,683)	\$ 357,431

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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, 2009 THROUGH JUNE 30, 2010		1467667154		10			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch.	Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report						
RECLASSIFICATIONS OF REPORTED COSTS									
1	4	070	4	2	070	3	\$83	(\$83)	\$0
	4.1	230	4	2	230	3	69,943	83	70,026
Property Insurance									
Other Administrative and General									
To reclassify surety bond expense to the appropriate cost center.									
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	\$164,346	(\$7,627)	\$156,719 *
	4.1	220	4	2	220	3	23,747	(592)	23,155 *
	4.1	140	4	2	140	3	6,407	7,627	14,034 *
	4.1	225	4	2	225	3	517	592	1,109 *
Aides Salaries									
Administrative Salaries									
Aides Fringe Benefits									
Administrative Fringe Benefits									
To reclassify miscellaneous fringe benefits to the appropriate cost centers.									
42 CFR 413.20 and 413.24									
CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8									
3	4.1	150	4	2	150	3	\$18,284	(\$18,284)	\$0
	4.1	225	4	2	225	3	1,109	(110)	999 *
	4.1	120	4	2	120	3	0	553	553 *
	4.1	140	4	2	140	3	14,034	17,841	31,875 *
Other Fringe Benefits									
Administrative Fringe Benefits									
QMRP Fringe Benefits									
Aides Fringe Benefits									
To reclassify worker's compensation to the appropriate cost centers.									
42 CFR 413.20 and 413.24									
CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8									

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider NPI		Adjustments						
STAHL HOUSE		JULY 1, 2009 THROUGH JUNE 30, 2010		1467667154		10						
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col	Sch.	Line	Col	Increase (Decrease)	As Reported	As Adjusted
		Cost Report	Audit Report									
ADJUSTMENTS TO REPORTED COSTS												
4	4	080	4	2	080	3				(\$159)	\$5,425	\$5,266
Home Operations and Maintenance To adjust 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												
5	4	100	4	2	100	3				(\$109)	\$2,954	\$2,845
Personal Care and Laundry To eliminate donation in-kind cost not includable in the rate. 42 CFR 413.5(c)(7) / CMS Pub. 15-1, Section 608												
6	4.1	190	4	2	190	3				(\$55)	\$3,493	\$3,438
Psychologist Consultant To adjust psychologist consultant expenses to agree with the consultant's invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304												
7	4.1	210	4	2	210	3				(\$206)	\$2,836	\$2,630
Other Consultant To eliminate award expense not related to client care at the facility. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3												
8	4.1	115	4	2	115	3				(\$2,588)	\$9,186	\$6,598
	4.1	135	4	2	135	3			*	(14,904)	156,719	141,815
	4.1	220	4	2	220	3			*	1,021	23,155	24,176
QMRP Salaries Aides Salaries Administrative Salaries To adjust salaries expense to agree with the provider's labor distribution report. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304												
9	4.1	120	4	2	120	3			*	\$412	\$553	\$965
	4.1	140	4	2	140	3			*	13,140	31,875	45,015
	4.1	225	4	2	225	3			*	1,765	999	2,764
QMRP Fringe Benefits Aides Fringe Benefits Administrative Fringe Benefits To include payroll tax expense to agree with the provider's labor distribution report. 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, 2009 THROUGH JUNE 30, 2010		1467667154		10			
Adj. No.	DHS 3076 Page or Exhibit	Report References		Sch.	Line	Col	Increase (Decrease)	As Reported	As Adjusted
		Cost Report	Audit Report						
10	Not Reported			1	2	2		\$0	\$967
									\$967
<p style="text-align: center;">ADJUSTMENT TO OTHER MATTERS</p> <p>10 Not Reported 1 2 2 Medi-Cal Overpayments To recover overpayments due to bed hold days and overstated Medi-Cal patient days. CCR, Title 22, Section 51458.1</p>									