

**REPORT
ON THE
RATE SETTING AUDIT**

**STANWIN HOME
ARLETA, CALIFORNIA
PROVIDER NPI: 1356559561**

**FISCAL PERIOD ENDED
DECEMBER 31, 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: Matthew Li**



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



EDMUND G. BROWN JR.
GOVERNOR

December 20, 2011

Administrator
Stanwin Home
9580 Stanwin Avenue
Arleta, CA 91331

PROVIDER: STANWIN HOME
PROVIDER NUMBER: LTC61040F
PROVIDER NPI: 1356559561
FISCAL PERIOD ENDED DECEMBER 31, 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	\$	381,099	\$ 174.02
Net Audit Adjustment		(1,436)	(.66)
Audited Cost/Cost Per Day	\$	<u>379,663</u>	\$ <u>173.36</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.

Administrator
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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:
STANWIN HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

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>381,099</u>	\$ <u>379,663</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>174.02</u>	\$ <u>173.36</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:
STANWIN HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

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	\$ 10,999	\$ 2,180	\$ 13,179
050	Leases and Rentals		0		0
055	Real Property Taxes		3,801		3,801
060	Personal Property Taxes		0		0
065	Mortgage Interest		19,796		19,796
070	Property Insurance		0		0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 34,596	\$ 2,180	\$ 36,776
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 4,278	\$	\$ 4,278
085	Utilities	2	4,808	(62)	4,746
090	Client Transportation (excluding Adult Day Services)	3,4,5	4,463	(2,447)	2,016
095	Dietary		13,491		13,491
100	Personal Care and Laundry		481		481
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 27,521	\$ (2,509)	\$ 25,012
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 62,117	\$ (329)	\$ 61,788
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 5,800	\$	\$ 5,800
120	QMRP Fringe Benefits				0
125	Lead Salaries		23,136		23,136
130	Lead Fringe Benefits		350		350
135	Aides Salaries		110,779		110,779
140	Aides Fringe Benefits		48,509		48,509
145	Other Salaries		300		300
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 188,874	\$ 0	\$ 188,874

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STANWIN HOME

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

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		\$ 450	\$	\$ 450
165	Speech Pathology Consultant		1,564		1,564
170	Physical Therapy Consultant		315		315
175	Occupational Therapy Consultant		1,470		1,470
180	Pharmacist Consultant		0		0
185	Nurse Consultant	6	7,515	(577)	6,938
190	Psychologist Consultant		1,200		1,200
195	Physician Consultant		0		0
200	Recreational Consultant	7	577	(55)	522
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 13,091	\$ (632)	\$ 12,459
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries **		\$ 70,215	\$	\$ 70,215
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		22,595		22,595
230	Other General and Administrative*** (Excluding Adult Day Services)	8,9	24,207	(475)	23,732
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 117,017	\$ (475)	\$ 116,542
TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)			\$ 381,099	\$ (1,436)	\$ 379,663
			(To Sch. 1)		(To Sch. 1)
NON-CLIENT CARE EXPENSES					
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation				0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 381,099	\$ (1,436)	\$ 379,663

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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		
STANWIN HOME		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010				1356559561		9		
Adj. No.	DHS 3076 Page or Exhibit	Report References				Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.	Line					
ADJUSTMENTS TO REPORTED COSTS										
1	4	45	4	2	45	3	3	\$10,999	\$2,180	\$13,179
Depreciation and Amortization To adjust depreciation expense to agree with the provider's detailed depreciation schedules. 42 CFR 413.20, 413.24 and 413.134 CMS Pub. 15-1, Sections 102 and 2304										
2	4	85	4	2	85	3	3	\$4,808	(\$62)	\$4,746
Utilities To eliminate prior year expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1										
3	4	90	4	2	90	3	3	\$4,463		
Client Transportation To eliminate gas and fuel expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										
4									(1,441)	
To eliminate auto repair expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3										
5									(948)	\$2,016
To eliminate vehicle insurance expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Section 2102.3										
6	4.1	185	4	2	185	3	3	\$7,515	(\$577)	\$6,938
Nurse Consultant To eliminate prior year nurse consultant expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1										
7	4.1	200	4	2	200	3	3	\$577	(\$55)	\$522
Recreational Consultant To eliminate recreational therapy consultant expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304										

Provider Name		Fiscal Period		Provider NPI		Adjustments		
STANWIN HOME		JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		1356559561		9		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Line	Col			
4.1	230	4	2	230	3	\$24,207		
8								
<p style="text-align: center;">ADJUSTMENTS TO REPORTED COSTS</p> <p>Other General and Administrative (\$200)</p> <p>To eliminate accounting expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304</p>								
9								
<p>To eliminate prior year telephone expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1</p>								
							(275)	\$23,732
							<u>(\$475)</u>	