

**REPORT
ON THE
RATE SETTING AUDIT**

**STARFISH HOME
VENTURA, CALIFORNIA
PROVIDER NUMBER: LTC80208G**

**FISCAL PERIOD ENDED
DECEMBER 31, 2007**

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

**Section Chief: Cheryl Phillips
Audit Supervisor: Cyrus C. Lam
Auditor: Ching Chen**



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



ARNOLD SCHWARZENEGGER
Governor

October 30, 2008

Matthew Steinorth
Executive Director
Starfish Home
994 Phoenix Avenue
Ventura, CA 93004

PROVIDER: STARFISH HOME
PROVIDER NO.: LTC80208G
FISCAL PERIOD ENDED: DECEMBER 31, 2007

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	\$	408,717	\$ 287.22
Net Audit Adjustment		<u>(34,098)</u>	<u>(23.96)</u>
Audited Cost/Cost Per Day	\$	<u>374,619</u>	\$ <u>263.26</u>

This audit report includes the:

1. Audit Report Schedules 1 through 3
2. Audit Adjustment 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.

Matthew Steinorth
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
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814-2825
(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 95899-7413

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 95814-5005
(916) 440-7745

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—Gardena at (310) 516-4757.

Signed By:

Cheryl Phillips, Chief
Audits Section—Gardena
Financial Audits Branch

Certified

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

Provider:
STARFISH HOME

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80208G

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,423	1,423
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,423</u>	<u>1,423</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>408,717</u>	\$ <u>374,619</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>287.22</u>	\$ <u>263.26</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>NA</u>	\$ <u>0</u>
OVERPAYMENTS		
1. Duplicate Payments (Adj)	\$ _____	\$ _____
2. Credit Balances (Adj)	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STARFISH HOME

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80208G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CLIENT SERVICES				
	Basic Facility Cost - Property Expenses				
045	Depreciation and Amortization	1	\$ 5,632	\$ (5,632)	\$ 0
050	Leases and Rentals		0	0	0
055	Real Property Taxes		6,089	0	6,089
060	Personal Property Taxes		0	0	0
065	Mortgage Interest	2	21,726	(21,726)	0
070	Property Insurance		0	0	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 33,447	\$ (27,358)	\$ 6,089
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 51,526	\$ 0	\$ 51,526
085	Utilities		7,715	0	7,715
090	Client Transportation		148	0	148
095	Dietary		7,549	0	7,549
100	Personal Care and Laundry		5,366	0	5,366
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 72,304	\$ 0	\$ 72,304
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 105,751	\$ (27,358)	\$ 78,393
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 13,973	\$ 0	\$ 13,973
120	QMRP Fringe Benefits	3	1,290	(1,290)	0
125	Lead Salaries		77,204	0	77,204
130	Lead Fringe Benefits		7,130	0	7,130
135	Aides Salaries	4	53,614	(3,739)	49,875
140	Aides Fringe Benefits	4	4,951	(1,551)	3,400
145	Other Salaries		46,222	(160)	46,062
150	Other Fringe Benefits		4,269	0	4,269
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 208,653	\$ (6,740)	\$ 201,913

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
STARFISH HOME

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80208G

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,281	\$ 0	\$ 1,281
165	Speech Pathology Consultant		90	0	90
170	Physical Therapy Consultant		1,275	0	1,275
175	Occupational Therapy Consultant		1,828	0	1,828
180	Pharmacist Consultant		0	0	0
185	Nurse Consultant		0	0	0
190	Psychologist Consultant		80	0	80
195	Physician Consultant		0	0	0
200	Recreational Consultant		0	0	0
205	Social Service Consultant		0	0	0
210	Other Consultant		45	0	45
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,599	\$ 0	\$ 4,599
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$ 0	\$ 0	\$ 0
225	Administrative Fringe Benefits		0	0	0
226	Quality Assurance Fees		18,164	0	18,164
230	Other Administrative and General		71,550	0	71,550
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 89,714	\$ 0	\$ 89,714
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 408,717	\$ (34,098)	\$ 374,619
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$ 0	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 408,717	\$ (34,098)	\$ 374,619

SUMMARY OF AUDITED LABOR REPORT

Provider:
STARFISH HOME

Fiscal Period:
JANUARY 1, 2007 THROUGH DECEMBER 31, 2007

Provider Number:
LTC80208G

Line No.	Description	AS AUDITED			
		(1) Benefits	(2) Salaries (Adj 5)	(3) Total Hours (Adj)	Average Hourly Wage (Col 2 / Col 3)
	DIRECT CARE STAFF				
		(From Sch. 2)	(From Sch. 2)		
1	QMRP	\$ 0	\$ 13,973	696	\$ 20.08
2	Lead	7,130	77,204	6,302	12.25
3	Aides	3,400	49,875	5,626	8.87
4	Other	4,269	46,062	1,800	25.59
5	TOTAL DIRECT CARE (Lines1 through 4)	\$ 14,799	\$ 187,114	14,424	
	CONSULTANT STAFF				
6	Dietician	\$	\$ 1,281	27	\$ 47.44
7	Speech Pathology		90	2	45.00
8	Physical Therapy		1,275	26	49.04
9	Occupational Therapy		1,828	37	49.41
10	Pharmacist				0.00
11	Nurse				0.00
12	Psychologist		80		0.00
13	Physician				0.00
14	Recreational				0.00
15	Social Service				0.00
16	Other		45	1	45.00
17	TOTAL CONSULTANT (Lines 6 through 16)	\$ 0	\$ 4,599	93	
	ADMINISTRATIVE STAFF				
18	Administrative Staff	\$ 0	\$ 0	0	\$ 0.00
19	TOTAL STAFF (Lines 5, 17, 18)	\$ 14,799	\$ 191,713	14,517	

Provider Name		Fiscal Period		Provider Number		Adjustments		
STARFISH HOME		JANUARY 1, 2007 THROUGH DECEMBER 31, 2007		LTC80208G		5		
Adj. No.	DHS3076 Page or Exhibit	Report References		Sch	Line	As Reported	Increase (Decrease)	As Adjusted
		COST REPORT	AUDIT REPORT					
ADJUSTMENTS TO REPORTED COSTS								
1	4	045	4	2	45.00	\$5,632	(\$5,632)	\$0
Depreciation and Amortization To eliminate the reported depreciation expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
2	4	065	4	2	65.00	\$21,726	(\$21,726)	\$0
Mortgage Interest To eliminate the reported mortgage interest expense due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
3	4.1	120	4	2	120.00	\$1,290	(\$1,290)	\$0
QMRP Fringe Benefits To adjust QMRP fringe benefits to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
4	4.1	135	4	2	135.00	\$53,614	(\$3,739)	\$49,875
	4.1	140	4	2	140.00	4,951	(1,551)	3,400
Aides Salaries Aides Benefits To adjust aides salaries and benefits to agree with the provider's records. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
5	6	12	2	3	12.00	\$0	\$80	\$80
Psychologist Consultant To report Psychologist Consultant expense omitted by the provider. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								