

**REPORT
ON THE
RATE SETTING AUDIT
JOYCE MARIE HOMES, INC.
LOS ANGELES, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1992913107
FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**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

May 13, 2013

Augusto David, Administrator
11500 Palms Boulevard
Los Angeles, CA 90066

JOYCE MARIE HOMES, INC.
NATIONAL PROVIDER IDENTIFIER (NPI) 1992913107
FISCAL PERIOD ENDED DECEMBER 31, 2011

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	\$	312,885		\$ 158.02
Net Audit Adjustment		<u>(638)</u>		<u>0.24</u>
Audited Cost/Cost Per Day	\$	<u>312,247</u>		\$ <u>158.26</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.

Augusto David
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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

cc: Arecio A. Briones, Consultant
13349 Ebell Street
Van Nuys, CA 91402

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

Provider:
JOYCE MARIE HOMES, INC.

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

Provider NPI:
1992913107

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 2)	1,980	1,973
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>1,980</u>	<u>1,973</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>312,885</u>	\$ <u>312,247</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>158.02</u>	\$ <u>158.26</u>
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</u>	\$ <u>0</u>
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:
JOYCE MARIE HOMES, INC.

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

Provider NPI:
1992913107

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		\$ 3,413	\$	\$ 3,413
050	Leases and Rentals		0		0
055	Real Property Taxes		2,864		2,864
060	Personal Property Taxes		0		0
065	Mortgage Interest		16,459		16,459
070	Property Insurance		5,501		5,501
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,237	\$ 0	\$ 28,237
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		\$ 5,593	\$	\$ 5,593
085	Utilities		4,199		4,199
090	Client Transportation (excluding Adult Day Services)		17,769		17,769
095	Dietary		14,796		14,796
100	Personal Care and Laundry		9,247		9,247
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 51,604	\$ 0	\$ 51,604
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 79,841	\$ 0	\$ 79,841
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,421	\$	\$ 14,421
120	QMRP Fringe Benefits		852		852
125	Lead Salaries		0		0
130	Lead Fringe Benefits		0		0
135	Aides Salaries		92,092		92,092
140	Aides Fringe Benefits		17,113		17,113
145	Other Salaries		6,634		6,634
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 131,112	\$ 0	\$ 131,112

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
JOYCE MARIE HOMES, INC.

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

Provider NPI:
1992913107

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,071	\$	\$ 1,071
165	Speech Pathology Consultant		868		868
170	Physical Therapy Consultant		0		0
175	Occupational Therapy Consultant		210		210
180	Pharmacist Consultant		225		225
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		517		517
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 2,891	\$ 0	\$ 2,891
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 47,500	\$	\$ 47,500
225	Administrative Fringe Benefits		3,239		3,239
226	Quality Assurance Fees (excluding Adult Day Services)		17,078		17,078
230	Other General and Administrative*** Adult Day Services) (Excluding	1	31,224	(638)	30,586
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 99,041	\$ (638)	\$ 98,403
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 312,885	\$ (638)	\$ 312,247
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
241	Adult Day Services and Related Transportation		246,802		246,802
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 559,687	\$ (638)	\$ 559,049

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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
JOYCE MARIE HOMES, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1992913107		2
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>ADJUSTMENT TO REPORTED COSTS</u>											
1	4.1	230	4	2	230	3	Other General and Administrative To reflect the proper accrual of California Department of Publ Health Licensing Fees applicable to the audit perio 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304	\$31,224	(\$638)	\$30,586	

Provider Name							Fiscal Period	Provider NPI		Adjustments
JOYCE MARIE HOMES, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1992913107		2
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>ADJUSTMENT TO REPORTED PATIENT DAYS</u>										
2	2	3	1	1	1	1	Medi-Cal Client Days To adjust 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	1,980	(7)	1,973