

**REPORT
ON THE
RATE SETTING AUDIT**

**JUAN BAUTISTA DIVISION
RIVERSIDE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1073788378**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

**Audits Section—Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Margaret A. Varho
Audit Supervisor: Lan Nguyen
Auditor: Vanessa Hu**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: December 19, 2012

Henry Charlie Cox III, President
Bright Expectations, Inc.
8175 Limonite
Riverside, CA 92509

JUAN BAUSTITA DIVISION
NATIONAL PROVIDER IDENTIFIER (NPI) 1073788378
FISCAL PERIOD ENDED DECEMBER 31, 2011

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	\$	387,927	\$ 177.14
Net Audit Adjustment		(3,052)	(1.40)
Audited Cost/Cost Per Day	\$	<u>384,875</u>	\$ <u>175.74</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 \$721, which resulted from Medi-Cal overpayments

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

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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

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.

Henry Charlie Cox III
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If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

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

Provider:
JUAN BAUTISTA DIVISION

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

Provider NPI:
1073788378

**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>387,927</u>	\$ <u>384,875</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>177.14</u>	\$ <u>175.74</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 9)	\$ <u>0</u>	\$ <u>(721)</u>
2. Credit Balances (Adj)	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>(721)</u>

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
JUAN BAUTISTA DIVISION

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

Provider NPI:
1073788378

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	4,5	\$ 6,501	\$ (1,333)	\$ 5,168
050	Leases and Rentals		125		125
055	Real Property Taxes	6	4,108	(1,375)	2,733
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		2,134		2,134
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 12,868	\$ (2,708)	\$ 10,160
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,2	\$ 22,633	\$ (9,117)	\$ 13,516
085	Utilities		10,985		10,985
090	Client Transportation (excluding Adult Day Services)		15		15
095	Dietary		15,385		15,385
100	Personal Care and Laundry	1,3	440	9,970	10,410
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 49,458	\$ 853	\$ 50,311
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 62,326	\$ (1,855)	\$ 60,471
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 24,335	\$	\$ 24,335
120	QMRP Fringe Benefits		2,060		2,060
125	Lead Salaries		51,471		51,471
130	Lead Fringe Benefits		5,146		5,146
135	Aides Salaries		83,545		83,545
140	Aides Fringe Benefits		9,235		9,235
145	Other Salaries		12,884		12,884
150	Other Fringe Benefits		482		482
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 189,158	\$ 0	\$ 189,158

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
JUAN BAUTISTA DIVISION

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

Provider NPI:
1073788378

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 1,374	\$	\$ 1,374
165	Speech Pathology Consultant		880		880
170	Physical Therapy Consultant		3,060		3,060
175	Occupational Therapy Consultant		463		463
180	Pharmacist Consultant		540		540
185	Nurse Consultant		0		0
190	Psychologist Consultant		3,231		3,231
195	Physician Consultant		2,143		2,143
200	Recreational Consultant	8	1,045	(220)	825
205	Social Service Consultant		0		0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 12,736	\$ (220)	\$ 12,516
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees (excluding Adult Day Services)		18,314		18,314
230	Other General and Administrative*** (Excluding Adult Day Services)	2,3,7	105,393	(977)	104,416
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 123,707	\$ (977)	\$ 122,730
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 387,927	\$ (3,052)	\$ 384,875
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
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)		\$ 387,927	\$ (3,052)	\$ 384,875

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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	
JUAN BAUTISTA DIVISION		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1073788378		9	
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Audit Report	Sch.					
RECLASSIFICATIONS OF REPORTED COSTS									
1	4	080	4	2	080	3	\$22,633	(\$8,454)	\$14,179 *
	4	100	4	2	100	3	440	8,454	8,894 *
Home Operations and Maintenance Personal Care and Laundry To reclassify health supplies and recreation 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									
2	4	080	4	2	080	3	\$14,179	(\$663)	\$13,516
	4.1	230	4	2	230	3	105,393	663	106,056 *
Home Operations and Maintenance Other General and Administrative To reclassify office supplies 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									
3	4	100	4	2	100	3	\$8,894	\$1,516	\$10,410
	4.1	230	4	2	230	3	106,056	(1,516)	104,540 *
Personal Care and Laundry Other General and Administrative To reclassify patient care program 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									

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period				Provider NPI		Adjustments		
JUAN BAUTISTA DIVISION		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1073788378		9		
Adj. No.	DHS 3076 Page or Exhibit	Report References				AS Reported	Increase (Decrease)	AS Adjusted		
		Line	Col.	Sch.	Line				Col	
ADJUSTMENTS TO REPORTED COSTS										
4	4	045	4	2	045	3	Depreciation and Amortization To eliminate depreciation expense that was assigned to another facility. 42 CFR 413.20, 413.24, 413.50 and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302.4, and 2304	\$6,501	(\$111)	\$6,390 *
5	4	045	4	2	045	3	Depreciation and Amortization To adjust building depreciation expense to agree to the Property Profile Listing. 42 CFR 413.20, 413.24, 413.50 and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302.4, and 2304	\$6,390	(\$1,222)	\$5,168
6	4	055	4	2	055	3	Real Property Taxes To adjust property taxes to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304 and 2306	\$4,108	(\$1,375)	\$2,733
7	4.1	230	4	2	230	3	Other General and Administrative To eliminate bank late charges not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	\$104,540	(\$124)	\$104,416
8	4.1	200	4	2	200	3	Recreational Consultant To adjust recreational consultant expense to agree with paid invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$1,045	(\$220)	\$825

*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider NPI		Adjustments	
JUAN BAUTISTA DIVISION		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1073788378		9	
Adj. No.	Report References			Line	Sch.	Col.	Col.
	Cost Report	Audit Report					
DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col.	AS Reported	Increase (Decrease) AS Adjusted
9	Not Reported	1	1	2	Overpayments	\$0	\$721
<p>To recover Medi-Cal overpayments for bed hold days billed more than seven consecutive days. Title 22, Division 3, Section 51535.1(b)</p> <p><u>ADJUSTMENT TO OTHER MATTERS</u></p>							
						\$721	\$721