REPORT
ON THE
RATE SETTING AUDIT

TARA HOUSE
GRAND TERRACE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1174662787
FISCAL PERIOD ENDED
DECEMBER 31, 2011

Audits Section—Rancho Cucamonga
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Julio M. Cueto
Audit Supervisor: Lucia Martinez
Auditor: Daniela Bita Mocanu

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

August 2, 2013

Jonathan Joseph, President
JonBec Care, Inc.
1711 Plum Lane, Suite A
Redlands, CA 92374

TARA HOUSE
NATIONAL PROVIDER IDENTIFIER (NPI) 1174662787
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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	333,607	$	152.33
Net Audit Adjustment		(258)		(0.12)
Audited Cost/Cost Per Day	$	333,349	$	152.21

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.

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—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

cc: Cindy Collins, Treasurer
22421 Barton Road, #173
Grand Terrace, CA 92313

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY

Provider:
TARA HOUSE

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

Provider NPI:
1174662787

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
3. Other Client Days (Adj)		0
4. Total Client Days	2,190	2,190
5. Total Client Care Expenses (From Sch. 2)	$ 333,607	$ 333,349
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 152.33	$ 152.21
SHARE OF COST		
1. Share of Cost Audit Adjustment (Adj)	$ NA	$ 0
OVERPAYMENTS		
1. Duplicate Payments (Adj)	$	$ 0
2. Credit Balances (Adj)	$	$ 0
3. Total Overpayments	$ 0	$ 0

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
TARA HOUSE

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

Provider NPI:
1174662787

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	2	$ 1,650	$ 1,160	$ 2,810
050	Leases and Rentals				0
055	Real Property Taxes	1	1,781	(91)	1,690
060	Personal Property Taxes	1	0	91	91
065	Mortgage Interest	3	3,675	(1,418)	2,257
070	Property Insurance		834		834
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 7,940	$ (258)	$ 7,682
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance		$ 5,204	$	$ 5,204
085	Utilities		6,427		6,427
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		12,840		12,840
100	Personal Care and Laundry		3,379		3,379
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 27,850	$ 0	$ 27,850
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 35,790	$ (258)	$ 35,532
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 15,020	$	$ 15,020
120	QMRP Fringe Benefits		4,152		4,152
125	Lead Salaries		26,447		26,447
130	Lead Fringe Benefits		7,311		7,311
135	Aides Salaries		98,919		98,919
140	Aides Fringe Benefits		27,344		27,344
145	Other Salaries		9,489		9,489
150	Other Fringe Benefits		2,623		2,623
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 191,305	$ 0	$ 191,305

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,200	$	$ 1,200
165	Speech Pathology Consultant		1,350		1,350
170	Physical Therapy Consultant		900		900
175	Occupational Therapy Consultant		735		735
180	Pharmacist Consultant		720		720
185	Nurse Consultant				0
190	Psychologist Consultant		1,930		1,930
195	Physician Consultant		3,000		3,000
200	Recreational Consultant		960		960
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		$ 10,795	$ 0	$ 10,795
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$	$	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		19,049		19,049
230	Other General and Administrative*** (excluding Adult Day Services)		76,668		76,668
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 95,717	$ 0	$ 95,717
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 333,607	$ (258)	$ 333,349
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		$	$	$ 0
241	Adult Day Services and Related Transportation		154,540		154,540
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		$ 488,147	$ (258)	$ 487,889

** List only direct administrative salaries incurred at the facility level

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
TARA HOUSE	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1174662787	3

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATION OF REPORTED COSTS			
1	4	055	4	2	055	3	Real Property Taxes	$1,781	($91)	$1,690
	4	060	4	2	060	3	Personal Property Taxes	0	91	91
							To reclassify personal property taxes 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			

Provider Name	Fiscal Period	Provider NPI	Adjustments
TARA HOUSE	JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1174662787	3

Report References										
	Cost Report			Audit Report						
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
2	4	045	4	2	045	3	Depreciation and Amortization To adjust reported depreciation expense to agree with the allowable depreciation expense for assets subject to DEFRA. 42 CFR 413.134 / CMS Pub. 15-1, Section 104.10	$1,650	$1,160	$2,810
3	4	065	4	2	065	3	Mortgage Interest To eliminate mortgage interest expenses for assets subject to DEFRA. 42 CFR 413.134 and 413.153(d)(i) CMS Pub. 15-1, Sections 104.10 and 203	$3,675	($1,418)	$2,257