

**REPORT
ON THE
RATE SETTING AUDIT**

**JANRAY HOME I
LA MIRADA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1154519015**

**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: Henry Igboke
Auditor: May Liu**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: July 11, 2013

Ramon Baesa, President
Janray Home I
12921 Biola Avenue
La Mirada, CA 90638

JANRAY HOME I
NATIONAL PROVIDER IDENTIFIER (NPI) 1154519015
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	\$	301,791	\$ 165.36
Net Audit Adjustment		<u>(10,213)</u>	<u>(5.59)</u>
Audited Cost/Cost Per Day	\$	<u>291,578</u>	\$ <u>159.77</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 Medi-Cal Benefits, Waiver Analysis and Rates Division.

Ramon Baesa
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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—Santa Ana at (714) 558-4434.

(Original signed by Margaret A. 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:
JANRAY HOME I

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

Provider NPI:
1154519015

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,825	1,825
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj)	0	0
4. Total Client Days	<u>1,825</u>	<u>1,825</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>301,791</u>	\$ <u>291,578</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>165.36</u>	\$ <u>159.77</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:
JANRAY HOME I

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

Provider NPI:
1154519015

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	\$ 7,671	\$ (1,473)	\$ 6,198
050	Leases and Rentals				0
055	Real Property Taxes		3,178		3,178
060	Personal Property Taxes				0
065	Mortgage Interest		18,936		18,936
070	Property Insurance		1,814		1,814
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 31,599	\$ (1,473)	\$ 30,126
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 4,253	\$ (1,326)	\$ 2,927
085	Utilities	3	4,720	(849)	3,871
090	Client Transportation (excluding Adult Day Services)		4,923		4,923
095	Dietary	4	8,131	(990)	7,141
100	Personal Care and Laundry		3,698		3,698
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,725	\$ (3,165)	\$ 22,560
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 57,324	\$ (4,638)	\$ 52,686
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 14,784	\$	\$ 14,784
120	QMRP Fringe Benefits		1,339		1,339
125	Lead Salaries		41,184		41,184
130	Lead Fringe Benefits		3,731		3,731
135	Aides Salaries		105,472		105,472
140	Aides Fringe Benefits		17,748		17,748
145	Other Salaries				0
150	Other Fringe Benefits				0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 184,258	\$ 0	\$ 184,258

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
JANRAY HOME I

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

Provider NPI:
1154519015

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		\$ 600	\$	\$ 600
165	Speech Pathology Consultant		750		750
170	Physical Therapy Consultant		620		620
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant		150		150
185	Nurse Consultant		13,820		13,820
190	Psychologist Consultant				0
195	Physician Consultant		390		390
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 16,330	\$ 0	\$ 16,330
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 8,448	\$	\$ 8,448
225	Administrative Fringe Benefits		766		766
226	Quality Assurance Fees (excluding Adult Day Services)		18,582		18,582
230	Other General and Administrative*** (Excluding Adult Day Services)	5,6	16,083	(5,575)	10,508
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 43,879	\$ (5,575)	\$ 38,304
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 301,791	\$ (10,213)	\$ 291,578
	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)		\$ 301,791	\$ (10,213)	\$ 291,578

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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						
JANRAY HOME I		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1154519015		6						
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Col.	Sch.	Line	Col.	As Reported	Increase (Decrease)	As Adjusted	
		Cost Report	Audit Report									
ADJUSTMENTS TO REPORTED COSTS												
1	4	45	4	2	45	3	3	3	\$7,671	(\$1,473)	\$6,198	
Depreciation and Amortization To adjust reported depreciation expense to agree with the provider depreciation worksheet 42 CFR 413.20, 413.24 and 413.134 CMS Pub. 15-1, Sections 102, 2300 and 2304												
2	4	80	4	2	80	3	3	3	\$4,253	(\$1,326)	\$2,927	
Home Operations and Maintenance To eliminate home operations and maintenance expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)												
3	4	85	4	2	85	3	3	3	\$4,720	(\$849)	\$3,871	
Utilities To eliminate utility expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)												
4	4	95	4	2	95	3	3	3	\$8,131	(\$990)	\$7,141	
Dietary To eliminate dietary expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)												

Provider Name		Fiscal Period		Provider NPI		Adjustments				
JANRAY HOME I		JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1154519015		6				
Adj. No.	DHS 3076 Page or Exhibit	Report References		Line	Sch.	Line	Col			
		Cost Report	Audit Report					AS Reported	Increase (Decrease)	AS Adjusted
ADJUSTMENTS TO REPORTED COSTS										
5	4.1	230	4	2	230	3	Other General and Administrative To reconcile the reported expense to agree with the provider's general ledger. 42 CFR 413.20 and 413.24/CMS Pub. 15-1, Sections 2300 and 2304	\$16,083	(\$108)	\$15,975 *
6	4.1	230	4	2	230	3	Other General and Administrative To eliminate other general and administrative expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	\$15,975	(\$5,467)	\$10,508

*Balance carried forward from prior/to subsequent adjustments