

**REPORT
ON THE
RATE SETTING AUDIT**

**JO MI SHIRLEE
WEST COVINA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1316085947**

**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: Ted ha**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: December 18, 2012

Cecilia Cuevas, Administrator
Jo Mi Shirlee
1849 Ayers Way
Burbank, CA 91501

JO MI SHIRLEE
NATIONAL PROVIDER IDENTIFIER (NPI) 1316085947
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	\$	343,536		\$ 245.56
Net Audit Adjustment		<u>(48,593)</u>		<u>(44.51)</u>
Audited Cost/Cost Per Day	\$	<u>294,943</u>		\$ <u>201.05</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.

Cecilia Cuevas
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
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 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:
JO MI SHIRLEE

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

Provider NPI:
1316085947

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 9)	1,399	1,460
2. Medi-Cal Managed Care Days (Adj)	0	0
3. Other Client Days (Adj 9)	0	7
4. Total Client Days	<u>1,399</u>	<u>1,467</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>343,536</u>	\$ <u>294,943</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>245.56</u>	\$ <u>201.05</u>

SHARE OF COST

1. Share of Cost Audit Adjustment (Adj)	\$ <u>0</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:
JO MI SHIRLEE

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

Provider NPI:
1316085947

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		\$ 2,597	\$	\$ 2,597
050	Leases and Rentals	6	27,679	(27,679)	0
055	Real Property Taxes		2,967		2,967
060	Personal Property Taxes				0
065	Mortgage Interest	7	0	22,924	22,924
070	Property Insurance		1,074		1,074
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 34,317	\$ (4,755)	\$ 29,562
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2,4	\$ 4,577	\$ (1,114)	\$ 3,463
085	Utilities	2,3	7,377	(3,864)	3,513
090	Client Transportation (excluding Adult Day Services)	5	5,527	(1,382)	4,145
095	Dietary		6,635		6,635
100	Personal Care and Laundry	2	692	(5)	687
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 24,809	\$ (6,365)	\$ 18,444
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 59,126	\$ (11,120)	\$ 48,006
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 29,883	\$	\$ 29,883
120	QMRP Fringe Benefits	2	1,105	37	1,142
125	Lead Salaries	2	3,672	3,221	6,893
130	Lead Fringe Benefits	2	331	604	935
135	Aides Salaries	2	75,157	(4,070)	71,087
140	Aides Fringe Benefits	2	15,995	(40)	15,955
145	Other Salaries	2	35,718	(12,000)	23,718
150	Other Fringe Benefits		1,591		1,591
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 163,452	\$ (12,248)	\$ 151,204

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
JO MI SHIRLEE

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

Provider NPI:
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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	2	\$ 1,307	\$ (47)	\$ 1,260
165	Speech Pathology Consultant	2	120	(120)	0
170	Physical Therapy Consultant		120		120
175	Occupational Therapy Consultant				0
180	Pharmacist Consultant				0
185	Nurse Consultant		12,000		12,000
190	Psychologist Consultant				0
195	Physician Consultant				0
200	Recreational Consultant				0
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 13,547	\$ (167)	\$ 13,380
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		\$ 64,000		\$ 64,000
225	Administrative Fringe Benefits	2	2,331	1,200	3,531
226	Quality Assurance Fees (excluding Adult Day Services)		14,822		14,822
230	Other General and Administrative*** (Excluding Adult Day Services)	2,8	26,258	(26,258)	0
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 107,411	\$ (25,058)	\$ 82,353
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 343,536	\$ (48,593)	\$ 294,943
	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)	1	\$ 343,536	\$ (48,593)	\$ 294,943

Page 2 of 2

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

*** List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI		Adjustments
JO MI SHIRLEE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1316085947		9
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>MEMORANDUM ADJUSTMENT</u>										
1	4.1	245	4	2	245	Total Expense To correct footing error of the reported total expense on the cost report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$358,086	(\$14,550)	\$343,536	

Provider Name							Fiscal Period	Provider NPI		Adjustments	
JO MI SHIRLEE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1316085947		9	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
2	4	80	4	3	80	3	Home Operations and Maintenance	\$4,577	(\$24)	\$4,553 *	
	4	85	4	3	85	3	Utilities	7,377	(2,745)	4,632 *	
	4	100	4	3	100	3	Personal Care and Laundry	692	(5)	687	
	4.1	120	4	3	120	3	QMRP Fringe Benefits	1,105	37	1,142	
	4.1	125	4	3	125	3	Lead Salaries	3,672	3,221	6,893	
	4.1	130	4	3	130	3	Lead Benefits	331	604	935	
	4.1	135	4	3	135	3	Aides Salaries	75,157	(4,070)	71,087	
	4.1	140	4	3	140	3	Aides Benefits	15,995	(40)	15,955	
	4.1	145	4	3	145	3	Other Salaries	35,718	(12,000)	23,718	
	4.1	160	4	3	160	3	Dietitian Consultant	1,307	(47)	1,260	
	4.1	165	4	3	165	3	Speech Pathology Consultant	120	(120)	0	
	4.1	225	4	3	225	3	Administrative Fringe Benefits	2,331	1,200	3,531	
	4.1	230	4	3	230	3	Other General and Administrative	26,258	257	26,515 *	
							To adjust 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				
3	4	85	4	2	85	3	Utilities	*	\$4,632	(\$1,119)	\$3,513
							To eliminate telephone cost not related to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304				
4	4	80	4	2	80	3	Home Operations and Maintenance	*	\$4,553	(\$1,090)	\$3,463
							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				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
JO MI SHIRLEE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1316085947		9	
Adj. No.	Report References			Audit Report			Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col					
ADJUSTMENTS TO REPORTED COSTS											
5	4	90	4	2	90	3	Client Transportatior To eliminate a portion of client transportation expens not related to patient care 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$5,527	(\$1,382)	\$4,145	
6	4	50	4	2	50	3	Leases and Rentals To eliminate mortgage payments from the related part 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.5 and 1212	\$27,679	(\$27,679)	\$0	
7	4	65	4	2	65	3	Mortgage Interest To include cost of ownership in lieu of related party lease expens 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	\$0	\$22,924	\$22,924	
8	4.1	230	4	2	230	3	Other Administration and General To adjust reported home office costs to agree with the Jo Mi Homes Home Office Audit Report for fiscal period ended Decemeber 31, 2011. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2150, 2300 and 2304	*	\$26,515	(\$26,515)	\$0

*Balance carried forward from prior/to subsequent adjustments

Provider Name				Fiscal Period				Provider NPI		Adjustments
JO MI SHIRLEE				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1316085947		9
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>										
9	2	3	N/A	1	1	N/A	Total Medi-Cal Client Days	1,399	61	1,460
	2	3	N/A	1	3	N/A	Total Other Client Days	0	7	7
							To adjust total patient days to agree with the provider's patient census report.			
							42 CFR 413.20 and 413.50			
							CMS Pub. 15-1, Sections 2205 and 2304			