REPORT
ON THE
RATE SETTING AUDIT

J & P HOMES – SAN PEDRO
BUENA PARK, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1346338282

FISCAL PERIOD ENDED
JUNE 30, 2012

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

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: July 9, 2013

Prescila Santos Barrios, Administrator
J & P Homes Inc.
6891 San Pedro Circle
Buena Park, CA 90620

J & P HOMES – SAN PEDRO
NATIONAL PROVIDER IDENTIFIER (NPI) 1346338282
FISCAL PERIOD ENDED JUNE 30, 2012

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, 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:

COST AND COST PER DAY		COST		COST PER DAY
Reported Cost/Cost Per Day	$	377,043	$	174.72
Net Audit Adjustment		(1,253)		(1.23)
Audited Cost/Cost Per Day	$	375,790	$	173.49

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.

605 West Santa Ana Blvd., Building 28, Room 830, Santa Ana, CA 92701
(714) 558-4434 / (714) 558-4179 fax
Internet Address: www.dhcs.ca.gov

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:
J AND P HOME - SAN PEDRO

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1346338282

SUMMARY OF AUDITED FACILITY CENSUS AND AUDITED CLIENT COST PER DAY	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj 4,5)	2,158	0
2. Medi-Cal Managed Care Days (Adj 6)	0	2,166
3. Other Client Days (Adj)	0	0
4. Total Client Days	2,158	2,166
5. Total Client Care Expenses (From Sch. 2)	$ 377,043	$ 375,790
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	$ 174.72	$ 173.49
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:
J AND P HOME - SAN PEDRO

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1346338282

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		$ 4,583	$	$ 4,583
050	Leases and Rentals				0
055	Real Property Taxes		3,873		3,873
060	Personal Property Taxes				0
065	Mortgage Interest		8,991		8,991
070	Property Insurance				0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		$ 17,447	$ 0	$ 17,447
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	1,2	$ 5,394	$ (1,463)	$ 3,931
085	Utilities		4,629		4,629
090	Client Transportation (excluding Adult Day Services)		10,803		10,803
095	Dietary	1	12,516	1,363	13,879
100	Personal Care and Laundry		1,464		1,464
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		$ 34,806	$ (100)	$ 34,706
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		$ 52,253	$ (100)	$ 52,153
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		$ 16,155	$	$ 16,155
120	QMRP Fringe Benefits				0
125	Lead Salaries		47,018		47,018
130	Lead Fringe Benefits	3	7,048	(329)	6,719
135	Aides Salaries		77,559		77,559
140	Aides Fringe Benefits	3	11,626	(542)	11,084
145	Other Salaries		40,271		40,271
150	Other Fringe Benefits	3	6,037	(282)	5,755
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		$ 205,714	$ (1,153)	$ 204,561

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
J AND P HOME - SAN PEDRO

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1346338282

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	EXPENSES: CONSULTANT COSTS				
160	Dietician Consultant		$ 1,440	$	$ 1,440
165	Speech Pathology Consultant		245		245
170	Physical Therapy Consultant		900		900
175	Occupational Therapy Consultant		2,295		2,295
180	Pharmacist Consultant		500		500
185	Nurse Consultant		23,075		23,075
190	Psychologist Consultant		450		450
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)		$ 28,905	$ 0	$ 28,905
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries **		$	$	$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		21,849		21,849
230	Other General and Administrative*** (Excluding Adult Day Services)		68,322		68,322
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		$ 90,171	$ 0	$ 90,171
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		$ 377,043	$ (1,253)	$ 375,790
	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)		$ 377,043	$ (1,253)	$ 375,790

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

*** List allocated administrative costs on Line 230

Provider Name	Fiscal Period	Provider NPI	Adjustments
J & P HOMES - SAN PEDRO	JULY 1, 2011 THROUGH JUNE 30, 2012	1346338282	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATION OF REPORTED COSTS			
1	4.1	80	4	2	80		Home Operations and Maintenance	$5,394	($1,363)	$4,031 *
	4.1	95	4	2	95		Dietary	12,516	1,363	13,879
							To reclassify dietary expense to the appropriate cost center fo			
							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
J & P HOMES - SAN PEDRO	JULY 1, 2011 THROUGH JUNE 30, 2012	1346338282	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
2	4.1	80	4	2	80		Home Operations and Maintenance *	$4,031	($100)	$3,931
							To eliminate home maintenance expense that pertains to a related facility.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2300 and 2304			
3	4.1	130	4	2	130		Lead Benefits	$7,048	($329)	$6,719
	4.1	140	4	2	140		Aides Benefits	11,626	(542)	11,084
	4.1	150	4	2	150		Other Benefits	6,037	(282)	5,755
							To adjust workers' compensation to the amount allowable based			
							on the audited payroll salary allocation ratio.			
							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
J & P HOMES - SAN PEDRO	JULY 1, 2011 THROUGH JUNE 30, 2012	1346338282	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED PATIENT DAYS			
4	2	3		1			Client Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	2,158	8	2,166 *
5	2	3		1			Client Days * To adjust reported Medi-Cal Nursing Facility days to agree with the following Fiscal Intermediary Payment Data: Report Date: June 11, 2013 Payment Period: July 1, 2011 through June 11, 2013 Service Period: July 1, 2011 through June 30, 2012 42 CFR, 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2304, 2404 and 2408 CCR, Title 22, Section 51541	2,166	(2,166)	0
6	Not Reported						Medi-Cal Managed Care Days To include Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	2,166	2,166

*Balance carried forward from prior/to subsequent adjustments