

**REPORT  
ON THE  
RATE SETTING AUDIT**

**HILLSIDE HOUSE  
YUCAIPA, CALIFORNIA  
PROVIDER NUMBER: LTC60400F  
NPI: 1871634451**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2008**

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

**Section Chief: Julio M. Cueto  
Audit Supervisor: Bina Matani  
Auditor: May Liu**



DAVID MAXWELL-JOLLY  
Director

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



ARNOLD SCHWARZENEGGER  
Governor

September 14, 2009

Jonathan Joseph  
Chief Executive Officer  
JonBec Care, Inc.  
1711 Plum Lane, Suite A  
Redlands, CA 92374

PROVIDER: HILLSIDE HOUSE  
PROVIDER NO. LTC60400F  
NPI: 1871634451  
FISCAL PERIOD ENDED DECEMBER 31, 2008

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	\$	306,148	\$ 172.09
Net Audit Adjustment		<u>0</u>	<u>0.00</u>
Audited Cost/Cost Per Day	\$	<u>306,148</u>	\$ <u>172.09</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments Schedule

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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 Rate Development Branch.

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  
Office of Administrative Appeals and Hearings  
1029 J Street, Suite 200  
Sacramento, CA 95814-2825  
(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 95899-7413

**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 95814-5005  
(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.

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

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

**Provider:**  
HILLSIDE HOUSE

**Fiscal Period:**  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

**Provider Number:**  
LTC60400F

**Provider NPI:**  
1871634451

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

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	1,779	1,779
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>1,779</u>	<u>1,779</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>306,148</u>	\$ <u>306,148</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>172.09</u>	\$ <u>172.09</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 )	\$ _____	\$ _____
2. Credit Balances (Adj )	\$ _____	\$ _____
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
HILLSIDE HOUSE

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC60400F

Provider NPI:  
1871634451

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 2,191	\$	\$ 2,191
050	Leases and Rentals		0		0
055	Real Property Taxes	1	1,920	(60)	1,860
060	Personal Property Taxes	1	0	60	60
065	Mortgage Interest		4,985		4,985
070	Property Insurance	2	1,469	(751)	718
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 10,565	\$ (751)	\$ 9,814
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 3,774	\$	\$ 3,774
085	Utilities		6,965		6,965
090	Client Transportation		0		0
095	Dietary		13,016		13,016
100	Personal Care and Laundry		4,931		4,931
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 28,686	\$ 0	\$ 28,686
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 39,251	\$ (751)	\$ 38,500
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 13,771	\$	\$ 13,771
120	QMRP Fringe Benefits		2,819		2,819
125	Lead Salaries		26,375		26,375
130	Lead Fringe Benefits		5,399		5,399
135	Aides Salaries		99,985		99,985
140	Aides Fringe Benefits		20,467		20,467
145	Other Salaries		14,195		14,195
150	Other Fringe Benefits		2,906		2,906
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 185,917	\$ 0	\$ 185,917

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
HILLSIDE HOUSE

Fiscal Period:  
JANUARY 1, 2008 THROUGH DECEMBER 31, 2008

Provider Number:  
LTC60400F

Provider NPI:  
1871634451

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED	AUDIT ADJUSTMENT	AS AUDITED
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,086	\$	\$ 1,086
165	Speech Pathology Consultant		900		900
170	Physical Therapy Consultant		1,800		1,800
175	Occupational Therapy Consultant		1,041		1,041
180	Pharmacist Consultant	3	660	60	720
185	Nurse Consultant		0		0
190	Psychologist Consultant		1,320		1,320
195	Physician Consultant	3	3,060	(60)	3,000
200	Recreational Consultant		1,920		1,920
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,787	\$ 0	\$ 11,787
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		11,863		11,863
230	Other Administrative and General	2	57,330	751	58,081
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 69,193	\$ 751	\$ 69,944
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 306,148	\$ 0	\$ 306,148
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 306,148	\$ 0	\$ 306,148

Provider Name		Fiscal Period		Provider Number		Adjustments		
HILLSIDE HOUSE		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC60400F		3		
Adj. No.	DHS 3076 Page or Section	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch	Line			
<b>RECLASSIFICATIONS OF REPORTED COSTS</b>								
1	4	55	4	2	55.00	Real Property Taxes		\$1,920
	4	60	4	2	60.00	Personal Property Taxes		0
						To reclassify unsecured property taxes to the appropriate cost center.		
						42 CFR 413.20 and 413.24		
						CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304		
2	4	70	4	2	70.00	Property Insurance		\$1,469
	4.1	230	4	2	230.00	Other General and Administrative		57,330
						To reclassify general liability and bond insurance expenses to the appropriate cost center.		
						42 CFR 413.20 and 413.24		
						CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304		
3	4.1	180	4	2	180.00	Pharmacist Consultant		\$660
	4.1	195	4	2	195.00	Physician Consultant		3,060
						To reclassify pharmacy consultant expense to the appropriate cost center.		
						42 CFR 413.20 and 413.24		
						CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304		