

**REPORT  
ON THE  
RATE SETTING AUDIT**

**TWELVE OAKS  
LOMA LINDA, CALIFORNIA  
PROVIDER NUMBER: LTC60087I  
NPI: 1720128309**

**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: Kathy Zhang**



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: TWELVE OAKS  
PROVIDER NO. LTC60087I  
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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	\$	321,329	\$ 146.32
Net Audit Adjustment		<u>0</u>	<u>0.00</u>
Audited Cost/Cost Per Day	\$	<u>321,329</u>	\$ <u>146.32</u>

This audit report includes the:

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

Jonathan Joseph  
Page 2

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.

Jonathan Joseph  
Page 3

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:**  
TWELVE OAKS

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

**Provider Number:**  
LTC600871

**Provider NPI:**  
1720128309

**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 )	2,196	2,196
2. Other Client Days (Adj )		0
3. Total Client Days	<u>2,196</u>	<u>2,196</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>321,329</u>	\$ <u>321,329</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>146.32</u>	\$ <u>146.32</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:  
TWELVE OAKS

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

Provider Number:  
LTC600871

Provider NPI:  
1720128309

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		\$ 1,311	\$	\$ 1,311
050	Leases and Rentals				0
055	Real Property Taxes	1	1,832	(185)	1,647
060	Personal Property Taxes	1	0	185	185
065	Mortgage Interest		3,600		3,600
070	Property Insurance	2	1,464	(930)	534
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 8,207	\$ (930)	\$ 7,277
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 9,520	\$	\$ 9,520
085	Utilities		6,992		6,992
090	Client Transportation				0
095	Dietary		12,895		12,895
100	Personal Care and Laundry		2,259		2,259
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 31,666	\$ 0	\$ 31,666
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 39,873	\$ (930)	\$ 38,943
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 15,990	\$	\$ 15,990
120	QMRP Fringe Benefits		3,468		3,468
125	Lead Salaries		30,790		30,790
130	Lead Fringe Benefits		6,677		6,677
135	Aides Salaries		96,360		96,360
140	Aides Fringe Benefits		20,896		20,896
145	Other Salaries		9,210		9,210
150	Other Fringe Benefits		1,997		1,997
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 185,388	\$ 0	\$ 185,388

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
TWELVE OAKS

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

Provider Number:  
LTC600871

Provider NPI:  
1720128309

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		900		900
175	Occupational Therapy Consultant		735		735
180	Pharmacist Consultant	3	910	(190)	720
185	Nurse Consultant				0
190	Psychologist Consultant		1,950		1,950
195	Physician Consultant	3	2,635	190	2,825
200	Recreational Consultant		960		960
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,076	\$ 0	\$ 10,076
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees		16,007		16,007
230	Other Administrative and General	2	69,985	930	70,915
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 85,992	\$ 930	\$ 86,922
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 321,329	\$ 0	\$ 321,329
	<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)		\$ 321,329	\$ 0	\$ 321,329

Provider Name		Fiscal Period		Provider Number		Adjustments		
TWELVE OAKS		JANUARY 1, 2008 THROUGH DECEMBER 31, 2008		LTC600871		3		
Adj. No.	DHS 3076 Page or Exhibit	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	\$1,832	\$1,647
	4	60	4	2	60.00	Personal Property Taxes	0	185
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	\$1,464	\$534
	4.1	230	4	2	230.00	Other General and Administrative	69,985	70,915
To reclassify general liability 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	\$910	\$720
	4.1	195	4	2	195.00	Physician Consultant	2,635	2,825
To reclassify the pharmacy consultant 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								