

**REPORT
ON THE
RATE SETTING AUDIT
J-J CHILDREN'S HOME I
WEST HILLS, CALIFORNIA
PROVIDER NUMBERS: LTC60713F/ NPI 1376758250
FISCAL PERIOD ENDED
DECEMBER 31, 2009**

**Audits Section - Burbank
Financial Audits Branch
Audits and Investigations
California Department of Health Care Services**

**Section Chief: Daniel J. Giardinelli
Audit Supervisor: Gertrude Lake
Auditor: Jimmy Lee**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

November 30, 2010

Jean M. Timbol, Administrator
J-J Qual Zerv, Inc.
2251 Hill Street
Los Angeles, CA 90041

PROVIDER: J-J CHILDREN'S HOME I
PROVIDER NOS. LTC60713F / NPI 1376758250
FISCAL PERIOD ENDED DECEMBER 31, 2009

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	\$	376,920	\$ 173.14
Net Audit Adjustment		<u>(13,352)</u>	<u>(6.14)</u>
Audited Cost/Cost Per Day	\$	<u>363,568</u>	\$ <u>167.00</u>

This audit report includes the:

1. Audit Report Schedules 1 through 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 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.

If you have questions regarding this report, you may call the Audits Section—Burbank at (818) 295-2620.

Original Signed By

Daniel J. Giardinelli, Chief
Audits Section—Burbank
Financial Audits Branch

Certified

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

Provider:
J-J CHILDREN'S HOME I

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60713F

Provider NPI:
1376758250

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,177	2,177
2. Other Client Days (Adj)	0	0
3. Total Client Days	<u>2,177</u>	<u>2,177</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>376,920</u>	\$ <u>363,568</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>173.14</u>	\$ <u>167.00</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:
J-J CHILDREN'S HOME I

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:
LTC60713F

NPI:
1376758250

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	\$ 3,893	\$ (2,746)	\$ 1,147
050	Leases and Rentals		0		0
055	Real Property Taxes	2	3,388	(69)	3,319
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance		1,403		1,403
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 8,684	\$ (2,815)	\$ 5,869
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	3, 4	\$ 27,979	\$ (6,850)	\$ 21,129
085	Utilities		6,923		6,923
090	Client Transportation	5	7,867	(2,114)	5,753
095	Dietary	6	18,818	(1,129)	17,689
100	Personal Care and Laundry	7	7,526	(444)	7,082
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 69,113	\$ (10,537)	\$ 58,576
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 77,797	\$ (13,352)	\$ 64,445
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 18,083	\$	\$ 18,083
120	QMRP Fringe Benefits		0		0
125	Lead Salaries		34,920		34,920
130	Lead Fringe Benefits		5,065		5,065
135	Aides Salaries		107,174		107,174
140	Aides Fringe Benefits		12,471		12,471
145	Other Salaries		659		659
150	Other Fringe Benefits		0		0
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 178,372	\$ 0	\$ 178,372

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
J-J CHILDREN'S HOME I

Fiscal Period:
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

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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		\$ 605	\$	\$ 605
165	Speech Pathology Consultant		1,773		1,773
170	Physical Therapy Consultant		800		800
175	Occupational Therapy Consultant		1,440		1,440
180	Pharmacist Consultant		800		800
185	Nurse Consultant		9,600		9,600
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		468		468
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 15,486	\$ 0	\$ 15,486
EXPENSES: ADMINISTRATIVE COSTS					
220	Administrative Salaries		\$ 57,142	\$	\$ 57,142
225	Administrative Fringe Benefits		6,727		6,727
226	Quality Assurance Fees		16,272		16,272
230	Other Administrative and General		25,124		25,124
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 105,265	\$ 0	\$ 105,265
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 376,920	\$ (13,352)	\$ 363,568
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 376,920	\$ (13,352)	\$ 363,568

Provider Name		Fiscal Period		Provider Number		Adjustme				
J-J CHILDREN'S HOME I		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60713F		7				
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted		
		Line	Col.	Sch.	Line					
ADJUSTMENTS TO REPORTED COSTS										
1	4	45	4	2	45	2	\$3,893	(\$2,746)	\$1,147	
		Depreciation and Amortization To eliminate depreciation expense due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
2	4	55	4	2	55	2	\$3,388	(\$69)	\$3,319	
		Real Property Taxes To adjust real property taxes costs to reconcile to the provider's property tax invoices. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
3	4	80	4	2	80	2	\$27,979	(\$6,400)	\$21,579	
		Home Operations and Maintenance To adjust home operations and maintenance expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
4	4	80	4	2	80	2	\$21,579	(\$450)	\$21,129	
		Home Operations and Maintenance To adjust home operations and maintenance expenses for proper cost determination. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
5	4	90	4	2	90	2	\$7,867	(\$2,114)	\$5,753	
		Client Transportation To adjust client transportation expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
6	4	95	4	2	95	2	\$18,818	(\$1,129)	\$17,689	
		Dietary To adjust dietary expenses due to lack of documentation. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								
7	4	100	4	2	100	2	\$7,526	(\$444)	\$7,082	
		Personal Care and Laundry To adjust personal expenses 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