

**REPORT
ON THE
RATE SETTING AUDIT**

**LANFAIR HOUSE
REDLANDS, CALIFORNIA
PROVIDER NUMBER: LTC60397F
NPI: 1013058692**

**FISCAL PERIOD ENDED
DECEMBER 31, 2009**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Virat Shah
Auditor: Mary Anne Ruiz**



DAVID MAXWELL-JOLLY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 21, 2010

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

PROVIDER: LANFAIR HOUSE
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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	\$	300,177	\$ 162.61
Net Audit Adjustment		<u>64</u>	<u>0.03</u>
Audited Cost/Cost Per Day	\$	<u>300,241</u>	\$ <u>162.64</u>

This audit report includes the:

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

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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.
22421 Barton Road, #173
Grand Terrace, CA 92313

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

Provider:
LANFAIR HOUSE

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

Provider Number:
LTC60397F

Provider NPI:
1013058692

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	1,846	1,846
2. Other Client Days (Adj)		0
3. Total Client Days	<u>1,846</u>	<u>1,846</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>300,177</u>	\$ <u>300,241</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>162.61</u>	\$ <u>162.64</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)	\$ <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:
LANFAIR HOUSE

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

Provider Number:
LTC60397F

NPI:
1013058692

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		\$ 1,859	\$	\$ 1,859
050	Leases and Rentals				0
055	Real Property Taxes	1	2,477	(183)	2,294
060	Personal Property Taxes	1		183	183
065	Mortgage Interest		2,101		2,101
070	Property Insurance		1,070		1,070
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 7,507	\$ 0	\$ 7,507
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 3,128	\$ 982	\$ 4,110
085	Utilities		6,561		6,561
090	Client Transportation				0
095	Dietary		12,121		12,121
100	Personal Care and Laundry	2	3,049	(982)	2,067
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 24,859	\$ 0	\$ 24,859
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 32,366	\$ 0	\$ 32,366
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 15,394	\$	\$ 15,394
120	QMRP Fringe Benefits		4,087		4,087
125	Lead Salaries		21,874		21,874
130	Lead Fringe Benefits		5,807		5,807
135	Aides Salaries		98,742		98,742
140	Aides Fringe Benefits		26,214		26,214
145	Other Salaries		7,628		7,628
150	Other Fringe Benefits		2,025		2,025
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 181,771	\$ 0	\$ 181,771

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
LANFAIR HOUSE

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		\$ 1,284	\$	\$ 1,284
165	Speech Pathology Consultant		900		900
170	Physical Therapy Consultant		1,200		1,200
175	Occupational Therapy Consultant	3	1,078	(123)	955
180	Pharmacist Consultant		720		720
185	Nurse Consultant				0
190	Psychologist Consultant		1,990		1,990
195	Physician Consultant		3,000		3,000
200	Recreational Consultant		1,920		1,920
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 12,092	\$ (123)	\$ 11,969
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees	4	13,187	187	13,374
230	Other Administrative and General		60,761		60,761
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 73,948	\$ 187	\$ 74,135
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 300,177	\$ 64	\$ 300,241
	NON-CLIENT CARE EXPENSES		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 300,177	\$ 64	\$ 300,241

Provider Name		Fiscal Period		Provider Number		Adjustments				
LANFAIR HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60397F		4				
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted		
		Cost Report	Audit Report	Line	Col					
		Line	Col.	Sch.	Line	Col				
RECLASSIFICATIONS OF REPORTED COSTS										
1	4	055	4	2	55	3	Real Property Taxes	\$2,477	(\$183)	\$2,294
	4	060	4	2	60	3	Personal Property Taxes: To reclassify personal property taxes to the appropriate cost centre 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304	0	183	183
2	4	080	4	2	80	3	Home Operations and Maintenance	\$3,128	\$982	\$4,110
	4	100	4	2	100	3	Personal Care and Laundry To reclassify housekeeping 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	3,049	(982)	2,067

Provider Name		Fiscal Period		Provider Number		Adjustments		
LANFAIR HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60397F		4		
Adj. No.	DHS 3076 Page or Exhibit	Report References				As Reported	Increase (Decrease)	As Adjusted
		Line	Col.	Sch.	Line			
ADJUSTMENTS TO REPORTED COSTS								
3	4.1	175	4	2	175	3	\$1,078	\$955
Occupational Therapy Consultant To adjust occupational therapy consultant expenses to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								
4	4.1	226	4	2	226	3	\$13,187	\$13,374
Quality Assurance Fees To adjust quality assurance fees to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304								