

**REPORT
ON THE
RATE SETTING AUDIT**

**PIONEER HOUSE
REDLANDS, CALIFORNIA
PROVIDER NUMBER: LTC60278H
NPI: 1124168711**

**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: PIONEER 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	\$	330,184		\$ 151.11
Net Audit Adjustment		<u>673</u>		<u>0.31</u>
Audited Cost/Cost Per Day	\$	<u>330,857</u>		\$ <u>151.42</u>

This audit report includes the:

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

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
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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:
PIONEER HOUSE

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

Provider Number:
LTC60278H

Provider NPI:
1124168711

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

	AS REPORTED	AS AUDITED
1. Medi-Cal Client Days (Adj)	2,185	2,185
2. Other Client Days (Adj)		0
3. Total Client Days	<u>2,185</u>	<u>2,185</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>330,184</u>	\$ <u>330,857</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>151.11</u>	\$ <u>151.42</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:
PIONEER HOUSE

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

Provider Number:
LTC60278H

NPI:
1124168711

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		\$ 663	\$	\$ 663
050	Leases and Rentals		26,200		26,200
055	Real Property Taxes	1	130	(130)	0
060	Personal Property Taxes	1		130	130
065	Mortgage Interest				0
070	Property Insurance		1,219		1,219
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 28,212	\$ 0	\$ 28,212
	Basic Facility Cost - General Home Expenses				
080	Home Operations and Maintenance	2	\$ 3,820	\$ 1,063	\$ 4,883
085	Utilities		7,073		7,073
090	Client Transportation				0
095	Dietary		10,770		10,770
100	Personal Care and Laundry	2	4,171	(1,063)	3,108
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,834	\$ 0	\$ 25,834
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 54,046	\$ 0	\$ 54,046
	EXPENSES: DIRECT CARE STAFF COSTS				
115	QMRP Salaries		\$ 15,074	\$	\$ 15,074
120	QMRP Fringe Benefits		3,484		3,484
125	Lead Salaries		23,432		23,432
130	Lead Fringe Benefits		5,416		5,416
135	Aides Salaries		99,267		99,267
140	Aides Fringe Benefits	3	22,946	(41)	22,905
145	Other Salaries		7,552		7,552
150	Other Fringe Benefits		1,746		1,746
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 178,917	\$ (41)	\$ 178,876

SUMMARY OF AUDITED FACILITY EXPENSES

Provider:
PIONEER 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	4	\$ 900	\$ 48	\$ 948
165	Speech Pathology Consultant		900		900
170	Physical Therapy Consultant		1,500		1,500
175	Occupational Therapy Consultant		1,066		1,066
180	Pharmacist Consultant		720		720
185	Nurse Consultant				0
190	Psychologist Consultant		1,540		1,540
195	Physician Consultant		3,000		3,000
200	Recreational Consultant		960		960
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 10,586	\$ 48	\$ 10,634
	EXPENSES: ADMINISTRATIVE COSTS				
220	Administrative Salaries		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees	5	16,664	604	17,268
230	Other Administrative and General	3	69,971	62	70,033
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 86,635	\$ 666	\$ 87,301
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 330,184	\$ 673	\$ 330,857
	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)		\$ 330,184	\$ 673	\$ 330,857

Provider Name		Fiscal Period		Provider Number		Adjustments			
PIONEER HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC60278H		5			
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col	As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Sch.	Col.					
RECLASSIFICATIONS OF REPORTED COSTS									
1	4	055	4	2	55	3	\$130	(\$130)	\$0
	4	060	4	2	60	3	0	130	130
Real Property Taxes 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									
2	4	080	4	2	80	3	\$3,820	\$1,063	\$4,883
	4	100	4	2	100	3	4,171	(1,063)	3,108
Home Operations and Maintenance 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									

Provider Name		Fiscal Period				Provider Number		Adjustments	
PIONEER HOUSE		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009				LTC60278H		5	
Adj. No.	DHS 3076 Page or Exhibit	Report References			Line	Col	AS Reported	Increase (Decrease)	AS Adjusted
		Cost Report	Sch.	Audit Report					
3	4.1	140	4	2	140	3	\$22,946		\$22,905
	4.1	230	4	2	230	3	69,971	(\$41)	70,033
<p style="text-align: center;">ADJUSTMENTS TO REPORTED COSTS</p>									
4	4.1	160	4	2	160	3	\$900	\$48	\$948
<p>Aides Benefits Other General and Administrative To adjust the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304</p>									
5	4.1	226	4	2	226	3	\$16,664	\$604	\$17,268
<p>Dietitian Consultant To adjust dietitian consultant costs to agree with the provider's invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304</p> <p>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</p>									