

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**AVALON HEALTH CARE MANAGEMENT, INC.  
SALT LAKE CITY, UTAH**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Michael Harrold  
Audit Supervisor: Linda King  
Auditors: Adrian Peña and John Abdallah**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 09, 2013

David Slawson  
Director of Finance  
Avalon Health Care Management, Inc.  
206 North 2100 West  
Salt Lake City, Utah 84116

AVALON HEALTH CARE MANAGEMENT, INC.  
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2011. 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 Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

David Slawson  
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed By

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

Certified

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## SUMMARY OF AUDITED HOME OFFICE CAPITAL AND NONCAPITAL RELATED COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		CAPITAL RELATED (SCHEDULE 3) 1	NONCAPITAL RELATED (SCHEDULE 3-1) 2	TOTAL AUDITED H.O. COSTS (COLUMN 1 + 2) 3
	FROM	TO			

HEALTH CARE FACILITIES

1. Bennion Care Center	N/A	01/01/11	12/31/11	\$12,223	\$257,278	\$269,501
2. Heritage Care Center	N/A	01/01/11	12/31/11	12,359	260,146	272,505
3. Richfield Care Center	N/A	01/01/11	12/31/11	8,946	188,291	197,237
4. Willow Wood Care Center	N/A	01/01/11	12/31/11	9,292	195,582	204,874
5. Woodland Park Care Center	N/A	01/01/11	12/31/11	34,338	722,771	757,109
6. Avalon Care Center - Bountiful	N/A	01/01/11	12/31/11	13,709	288,558	302,268
7. Pioneer Care Center	N/A	01/01/11	12/31/11	7,233	152,243	159,476
7.01. North Canyon Care Center	N/A	01/01/11	12/31/11	11,542	242,931	254,472
8. Utah State Veterans Home	N/A	01/01/11	12/31/11	11,850	249,416	261,265
9. Willow Glen Health & Rehab	N/A	01/01/11	12/31/11	7,468	157,182	164,650
9.01. Ogden State Veterans Home	N/A	01/01/11	12/31/11	18,415	387,614	406,030
9.02. Heritage Hills Rehabilitation	N/A	01/01/11	12/31/11	6,084	128,052	134,136
9.03. Canyon Rim Care Center	N/A	01/01/11	12/31/11	11,035	232,266	243,301
10. Avalon Valley Health Care Center	N/A	01/01/11	12/31/11	22,693	477,647	500,340
11. Avalon Care Center of Shadow Mountain	N/A	01/01/11	12/31/11	16,090	384,163	400,252
12. Chandler Health Care Center	N/A	01/01/11	12/31/11	21,464	512,486	533,950
13. Southwest Health & Rehabilitation	N/A	01/01/11	12/31/11	33,384	797,077	830,461
14. Westgate Manor Convalescent Hospital	1730173725	01/01/11	12/31/11	10,549	464,802	475,352
15. Franciscan Convalescent Hospital	1871587964	01/01/11	12/31/11	10,253	454,571	464,824
16. Hy-Lond Convalescent Hospital Merced	1700870797	01/01/11	12/31/11	20,335	803,182	823,517
17. Hy-Lond Convalescent Hospital Modesto	1851385843	01/01/11	12/31/11	21,198	833,027	854,225
17.01. Modesto Convalescent Hospital	1326032327	01/01/11	12/31/11	10,046	447,399	457,445
17.02. San Luis Convalescent Hospital	1750375846	01/01/11	12/31/11	11,471	410,571	422,042
17.03. Mark Twain Convalescent Hospital	1215921242	01/01/11	12/31/11	18,714	747,138	765,851
17.04. Chowchilla Convalescent Center	1154315182	01/01/11	12/31/11	9,522	370,614	380,136
17.05. Avalon Care Center - Sonora	1356335384	01/01/11	12/31/11	25,498	981,728	1,007,226
17.06. Healdsburg Senior Living	1699837229	01/01/11	12/31/11	16,469	491,260	507,729
17.07. Avalon Care Center Honolulu	N/A	01/01/11	12/31/11	26,418	473,344	499,762
17.08. Hale Nani Rehabilitation and Nursing	N/A	01/01/11	12/31/11	68,338	1,224,471	1,292,809
17.09. Yukio Okutsu Veterans Home	N/A	01/01/11	12/31/11	27,189	487,167	514,356
17.10. Avalon Health and Rehabilitation Center	N/A	01/01/11	12/31/11	16,103	395,835	411,938
17.11. Willapa Harbor Care Center	N/A	01/01/11	12/31/11	8,601	211,441	220,043
17.12. Benson Heights Rehabilitation	N/A	01/01/11	12/31/11	14,470	355,713	370,183
17.13. Grays Harbor Health & Rehabilitation Center	N/A	01/01/11	12/31/11	16,031	394,085	410,116
17.14. Avalon Care Center - Othello	N/A	01/01/11	12/31/11	5,081	124,900	129,981
17.15. Avalon Health & Rehabilitation Center	N/A	01/01/11	12/31/11	25,447	625,533	650,980
17.16. Avalon Care Center at Northpoint	N/A	01/01/11	12/31/11	21,868	537,552	559,419
17.17. Avalon Care Center - Pullman	N/A	01/01/11	12/31/11	6,711	164,960	171,671
<b>SUBTOTAL (LINES 1 THROUGH 17.17)</b>				<b>\$648,434</b>	<b>\$16,632,997</b>	<b>\$17,281,431</b>

## SUMMARY OF AUDITED HOME OFFICE CAPITAL AND NONCAPITAL RELATED COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		CAPITAL RELATED (SCHEDULE 3) 1	NONCAPITAL RELATED (SCHEDULE 3-1) 2	TOTAL AUDITED H.O. COSTS (COLUMN 1 + 2) 3
	FROM	TO			

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	01/01/11	12/31/11	\$6,061	\$430,982	\$437,044
20. Brisol Hospice - Hawaii	N/A	01/01/11	12/31/11	13,169	618,455	631,624
21. Bristol Hospice - Utah	N/A	01/01/11	12/31/11	9,655	453,437	463,092
22. Bristol Hospice - Sacramento	N/A	01/01/11	12/31/11	13,934	852,731	866,664
22.01 * Bristol Hospice - Other	N/A	01/01/11	12/31/11	2,757	129,491	132,249
23. Brighton Health Care Services	N/A	01/01/11	12/31/11	912	13,614	14,526
24. Avalon Equipment Leasing	N/A	01/01/11	12/31/11	1,557	23,236	24,792
25. Avalon Transportation	N/A	01/01/11	12/31/11	1,187	17,710	18,897
26. One World Staffing	N/A	01/01/11	12/31/11	143	2,137	2,280
27. Brighton Rehabilitation	N/A	01/01/11	12/31/11	0	2	2
27.01 Other Non-Operating/Discon	N/A	01/01/11	12/31/11	1,019	15,210	16,229
27.04 Ponds at Punalu'u	N/A	01/01/11	12/31/11	5,998	81,163	87,161
	0	01/00/00	01/00/00	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

**SUBTOTAL (LINES 19 THROUGH 27.04)**

\$56,393      \$2,638,167      \$2,694,560

**GRAND TOTAL**

\$704,827      \$19,271,164      \$19,975,991

## COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		REPORTED HOME OFFICE COSTS (SCH. 9) 1	AUDITED H.O. COSTS (SCH. 3 & 3-1) 2	VARIANCE (COLUMN 2-1) 3
	FROM	TO			

HEALTH CARE FACILITIES

1. Bennion Care Center	N/A	01/01/11	12/31/11	\$271,463	\$269,501	(\$1,962)
2. Heritage Care Center	N/A	01/01/11	12/31/11	274,489	272,505	(1,984)
3. Richfield Care Center	N/A	01/01/11	12/31/11	198,678	197,237	(1,442)
4. Willow Wood Care Center	N/A	01/01/11	12/31/11	206,369	204,874	(1,495)
5. Woodland Park Care Center	N/A	01/01/11	12/31/11	762,638	757,109	(5,529)
6. Avalon Care Center - Bountiful	N/A	01/01/11	12/31/11	304,471	302,268	(2,203)
7. Pioneer Care Center	N/A	01/01/11	12/31/11	160,643	159,476	(1,167)
7.01. North Canyon Care Center	N/A	01/01/11	12/31/11	256,326	254,472	(1,854)
8. Utah State Veterans Home	N/A	01/01/11	12/31/11	263,169	261,265	(1,904)
9. Willow Glen Health & Rehab	N/A	01/01/11	12/31/11	165,846	164,650	(1,196)
9.01. Ogden State Veterans Home	N/A	01/01/11	12/31/11	408,994	406,030	(2,964)
9.02. Heritage Hills Rehabilitation	N/A	01/01/11	12/31/11	135,113	134,136	(977)
9.03. Canyon Rim Care Center	N/A	01/01/11	12/31/11	245,078	243,301	(1,777)
10. Avalon Valley Health Care Center	N/A	01/01/11	12/31/11	503,985	500,340	(3,645)
11. Avalon Care Center of Shadow Mountain	N/A	01/01/11	12/31/11	405,055	400,252	(4,803)
12. Chandler Health Care Center	N/A	01/01/11	12/31/11	540,363	533,950	(6,413)
13. Southwest Health & Rehabilitation	N/A	01/01/11	12/31/11	840,423	830,461	(9,962)
14. Westgate Manor Convalescent Hospital	1730173725	01/01/11	12/31/11	284,514	475,352	190,838
15. Franciscan Convalescent Hospital	1871587964	01/01/11	12/31/11	276,536	464,824	188,288
16. Hy-Lond Convalescent Hospital Merced	1700870797	01/01/11	12/31/11	548,413	823,517	275,104
17. Hy-Lond Convalescent Hospital Modesto	1851385843	01/01/11	12/31/11	571,690	854,225	282,535
17.01. Modesto Convalescent Hospital	1326032327	01/01/11	12/31/11	270,942	457,445	186,503
17.02. San Luis Convalescent Hospital	1750375846	01/01/11	12/31/11	309,368	422,042	112,674
17.03. Mark Twain Convalescent Hospital	1215921242	01/01/11	12/31/11	504,708	765,851	261,143
17.04. Chowchilla Convalescent Center	1154315182	01/01/11	12/31/11	256,814	380,136	123,322
17.05. Avalon Care Center - Sonora	1356335384	01/01/11	12/31/11	687,695	1,007,226	319,531
17.06. Healdsburg Senior Living	1699837229	01/01/11	12/31/11	444,165	507,729	63,564
17.07. Avalon Care Center Honolulu	N/A	01/01/11	12/31/11	506,635	499,761	(6,874)
17.08. Hale Nani Rehabilitation and Nursing	N/A	01/01/11	12/31/11	1,310,554	1,292,809	(17,745)
17.09. Yukio Okutsu Veterans Home	N/A	01/01/11	12/31/11	521,423	514,356	(7,067)
17.10. Avalon Health and Rehabilitation Center	N/A	01/01/11	12/31/11	416,748	411,938	(4,810)
17.11. Willapa Harbor Care Center	N/A	01/01/11	12/31/11	222,613	220,043	(2,571)
17.12. Benson Heights Rehabilitation	N/A	01/01/11	12/31/11	374,506	370,183	(4,323)
17.13. Grays Harbor Health & Rehabilitation Center	N/A	01/01/11	12/31/11	414,904	410,116	(4,788)
17.14. Avalon Care Center - Othello	N/A	01/01/11	12/31/11	131,502	129,980	(1,522)
17.15. Avalon Health & Rehabilitation Center	N/A	01/01/11	12/31/11	658,566	650,980	(7,586)
17.16. Avalon Care Center at Northpoint	N/A	01/01/11	12/31/11	565,954	559,419	(6,535)
17.17. Avalon Care Center - Pullman	N/A	01/01/11	12/31/11	173,677	171,671	(2,006)

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

**SUBTOTAL (LINES 1 THROUGH 17.17)**

\$15,395,030	\$17,281,431	\$1,886,401
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## COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		REPORTED HOME OFFICE COSTS (SCH. 9) 1	AUDITED H.O. COSTS (SCH. 3 & 3-1) 2	VARIANCE (COLUMN 2-1) 3
	FROM	TO			

OTHER COMPONENTS

19. Bristol Hospice - California	N/A	01/01/11	12/31/11	\$301,150	\$437,044	\$135,894
20. Brisol Hospice - Hawaii	N/A	01/01/11	12/31/11	654,303	631,624	(22,679)
21. Bristol Hospice - Utah	N/A	01/01/11	12/31/11	479,720	463,092	(16,628)
22. Bristol Hospice - Sacramento	N/A	01/01/11	12/31/11	692,269	866,664	174,395
22.01 * Bristol Hospice - Other	N/A	01/01/11	12/31/11	136,996	132,249	(4,747)
23. Brighton Health Care Services	N/A	01/01/11	12/31/11	14,798	14,526	(272)
24. Avalon Equipment Leasing	N/A	01/01/11	12/31/11	25,257	24,792	(465)
25. Avalon Transportation	N/A	01/01/11	12/31/11	19,251	18,897	(354)
26. One World Staffing	N/A	01/01/11	12/31/11	2,322	2,280	(42)
27. Brighton Rehabilitation	N/A	01/01/11	12/31/11	3	2	(1)
27.01 Other Non-Operating/Discon	N/A	01/01/11	12/31/11	16,534	16,229	(305)
27.04 Ponds at Punalu'u	N/A	01/01/11	12/31/11	97,317	87,161	(10,156)

**SUBTOTAL (LINES 19 THROUGH 27.04)**

\$2,439,920      \$2,694,560      \$254,640

**GRAND TOTAL**

\$17,834,950      \$19,975,991      \$2,141,041

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT CAPITAL COSTS (SCHEDULE 7)	FUNCTIONAL CAPITAL COSTS (SCHEDULE 5)	POOLED CAPITAL COSTS (SCHEDULE 4)	TOTAL CAPITAL COSTS (COL. 1 TO 3)
	FROM	TO	1	2	3	

**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	01/01/11	12/31/11	\$0	\$0	\$12,223	\$12,223
2. Heritage Care Center		01/01/11	12/31/11	0	0	12,359	12,359
3. Richfield Care Center	N/A	01/01/11	12/31/11	0	0	8,946	8,946
4. Willow Wood Care Center	N/A	01/01/11	12/31/11	0	0	9,292	9,292
5. Woodland Park Care Center	N/A	01/01/11	12/31/11	0	0	34,338	34,338
6. Avalon Care Center - Bountiful	N/A	01/01/11	12/31/11	0	0	13,709	13,709
7. Pioneer Care Center	N/A	01/01/11	12/31/11	0	0	7,233	7,233
7.01. North Canyon Care Center	N/A	01/01/11	12/31/11	0	0	11,541	11,542
8. Utah State Veterans Home	N/A	01/01/11	12/31/11	0	0	11,850	11,850
9. Willow Glen Health & Rehab	N/A	01/01/11	12/31/11	0	0	7,468	7,468
9.01. Ogden State Veterans Home	N/A	01/01/11	12/31/11	0	0	18,415	18,415
9.02. Heritage Hills Rehabilitation	N/A	01/01/11	12/31/11	0	0	6,084	6,084
9.03. Canyon Rim Care Center	N/A	01/01/11	12/31/11	0	0	11,035	11,035
10. Avalon Valley Health Care Center	N/A	01/01/11	12/31/11	0	0	22,693	22,693
11. Avalon Care Center of Shadow Mountain	N/A	01/01/11	12/31/11	0	0	16,090	16,090
12. Chandler Health Care Center	N/A	01/01/11	12/31/11	0	0	21,464	21,464
13. Southwest Health & Rehabilitation	N/A	01/01/11	12/31/11	0	0	33,384	33,384
14. Westgate Manor Convalescent Hospital	1730173725	01/01/11	12/31/11	0	0	10,549	10,549
15. Franciscan Convalescent Hospital	1871587964	01/01/11	12/31/11	0	0	10,253	10,253
16. Hy-Lond Convalescent Hospital Merced	1700870797	01/01/11	12/31/11	0	0	20,334	20,335
17. Hy-Lond Convalescent Hospital Modesto	1851385843	01/01/11	12/31/11	0	0	21,198	21,198
17.01. Modesto Convalescent Hospital	1326032327	01/01/11	12/31/11	0	0	10,046	10,046
17.02. San Luis Convalescent Hospital	1750375846	01/01/11	12/31/11	0	0	11,471	11,471
17.03. Mark Twain Convalescent Hospital	1215921242	01/01/11	12/31/11	0	0	18,714	18,714
17.04. Chowchilla Convalescent Center	1154315182	01/01/11	12/31/11	0	0	9,522	9,522
17.05. Avalon Care Center - Sonora	1356335384	01/01/11	12/31/11	0	0	25,498	25,498
17.06. Healdsburg Senior Living	1699837229	01/01/11	12/31/11	0	0	16,469	16,469
17.07. Avalon Care Center Honolulu	N/A	01/01/11	12/31/11	0	0	26,418	26,418
17.08. Hale Nani Rehabilitation and Nursing	N/A	01/01/11	12/31/11	0	0	68,338	68,338
17.09. Yukio Okutsu Veterans Home	N/A	01/01/11	12/31/11	0	0	27,189	27,189
17.10. Avalon Health and Rehabilitation Center	N/A	01/01/11	12/31/11	0	0	16,103	16,103
17.11. Willapa Harbor Care Center	N/A	01/01/11	12/31/11	0	0	8,601	8,601
17.12. Benson Heights Rehabilitation	N/A	01/01/11	12/31/11	0	0	14,470	14,470
17.13. Grays Harbor Health & Rehabilitation Center	N/A	01/01/11	12/31/11	0	0	16,031	16,031
17.14. Avalon Care Center - Othello	N/A	01/01/11	12/31/11	0	0	5,081	5,081
17.15. Avalon Health & Rehabilitation Center	N/A	01/01/11	12/31/11	0	0	25,447	25,447
17.16. Avalon Care Center at Northpoint	N/A	01/01/11	12/31/11	0	0	21,868	21,868
17.17. Avalon Care Center - Pullman	N/A	01/01/11	12/31/11	0	0	6,711	6,711

SUBTOTAL (LINES 1 THROUGH 17.17)

\$0      \$0      \$648,434      \$648,434

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT CAPITAL COSTS (SCHEDULE 7) 1	FUNCTIONAL CAPITAL COSTS (SCHEDULE 5) 2	POOLED CAPITAL COSTS (SCHEDULE 4) 3	TOTAL CAPITAL COSTS (COL. 1 TO 3)
	FROM	TO				

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	01/01/11	12/31/11	\$0	\$0	\$6,061	\$6,061
20. Bristol Hospice - Hawaii	N/A	01/01/11	12/31/11	0	0	13,169	13,169
21. Bristol Hospice - Utah	N/A	01/01/11	12/31/11	0	0	9,655	9,655
22. Bristol Hospice - Sacramento	N/A	01/01/11	12/31/11	0	0	13,934	13,934
22.01 * Bristol Hospice - Other	N/A	01/01/11	12/31/11	0	0	2,757	2,757
23. Brighton Health Care Services	N/A	01/01/11	12/31/11	0	0	912	912
24. Avalon Equipment Leasing	N/A	01/01/11	12/31/11	0	0	1,557	1,557
25. Avalon Transportation	N/A	01/01/11	12/31/11	0	0	1,187	1,187
26. One World Staffing	N/A	01/01/11	12/31/11	0	0	143	143
27. Brighton Rehabilitation	N/A	01/01/11	12/31/11	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	01/01/11	12/31/11	0	0	1,019	1,019
27.04 Ponds at Punalu'u	N/A	01/01/11	12/31/11	0	0	5,998	5,998
	0	01/00/00	01/00/00	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

**OTHER COMPONENTS**

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**SUBTOTAL (LINES 19 THROUGH 27.04)**

**\$0                      \$0                      \$56,393                      \$56,393**

**GRAND TOTAL**

**\$0                      \$0                      \$704,827                      \$704,827**

(To Schedule 1 & 2)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT COSTS (SCH. 7-1) 1	FUNCTIONAL COSTS (SCH. 5-1) 2	POOLED COSTS (SCH. 4) 3	TOTAL NONCAPITAL COSTS (COL. 1 TO 3)
	FROM	TO				

**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	01/01/11	12/31/11	\$0	\$91,889	\$165,389	\$257,278
2. Heritage Care Center	N/A	01/01/11	12/31/11	0	92,913	167,233	260,146
3. Richfield Care Center	N/A	01/01/11	12/31/11	0	67,250	121,041	188,291
4. Willow Wood Care Center	N/A	01/01/11	12/31/11	0	69,854	125,728	195,582
5. Woodland Park Care Center	N/A	01/01/11	12/31/11	0	258,144	464,627	722,771
6. Avalon Care Center - Bountiful	N/A	01/01/11	12/31/11	0	103,061	185,497	288,558
7. Pioneer Care Center	N/A	01/01/11	12/31/11	0	54,375	97,868	152,243
7.01. North Canyon Care Center	N/A	01/01/11	12/31/11	0	86,765	156,166	242,931
8. Utah State Veterans Home	N/A	01/01/11	12/31/11	0	89,081	160,335	249,416
9. Willow Glen Health & Rehab	N/A	01/01/11	12/31/11	0	56,139	101,043	157,182
9.01. Ogden State Veterans Home	N/A	01/01/11	12/31/11	0	138,440	249,174	387,614
9.02. Heritage Hills Rehabilitation	N/A	01/01/11	12/31/11	0	45,735	82,317	128,052
9.03. Canyon Rim Care Center	N/A	01/01/11	12/31/11	0	82,956	149,310	232,266
10. Avalon Valley Health Care Center	N/A	01/01/11	12/31/11	0	170,596	307,051	477,647
11. Avalon Care Center of Shadow Mountain	N/A	01/01/11	12/31/11	0	166,456	217,707	384,163
12. Chandler Health Care Center	N/A	01/01/11	12/31/11	0	222,058	290,428	512,486
13. Southwest Health & Rehabilitation	N/A	01/01/11	12/31/11	0	345,370	451,707	797,077
14. Westgate Manor Convalescent Hospital	1730173725	01/01/11	12/31/11	100,000	222,062	142,740	464,802
15. Franciscan Convalescent Hospital	1871587964	01/01/11	12/31/11	100,000	215,834	138,737	454,571
16. Hy-Lond Convalescent Hospital Merced	1700870797	01/01/11	12/31/11	100,000	428,040	275,142	803,182
17. Hy-Lond Convalescent Hospital Modesto	1851385843	01/01/11	12/31/11	100,000	446,207	286,820	833,027
17.01. Modesto Convalescent Hospital	1326032327	01/01/11	12/31/11	100,000	211,468	135,931	447,399
17.02. San Luis Convalescent Hospital	1750375846	01/01/11	12/31/11	13,895	241,464	155,212	410,571
17.03. Mark Twain Convalescent Hospital	1215921242	01/01/11	12/31/11	100,001	393,924	253,213	747,138
17.04. Chowchilla Convalescent Center	1154315182	01/01/11	12/31/11	41,324	200,445	128,845	370,614
17.05. Avalon Care Center - Sonora	1356335384	01/01/11	12/31/11	100,000	536,724	345,004	981,728
17.06. Healdsburg Senior Living	1699837229	01/01/11	12/31/11	116,458	151,963	222,839	491,260
17.07. Avalon Care Center Honolulu	N/A	01/01/11	12/31/11	0	115,893	357,451	473,344
17.08. Hale Nani Rehabilitation and Nursing	N/A	01/01/11	12/31/11	0	299,797	924,674	1,224,471
17.09. Yukio Okutsu Veterans Home	N/A	01/01/11	12/31/11	0	119,277	367,890	487,167
17.10. Avalon Health and Rehabilitation Center	N/A	01/01/11	12/31/11	0	177,955	217,880	395,835
17.11. Willapa Harbor Care Center	N/A	01/01/11	12/31/11	0	95,057	116,384	211,441
17.12. Benson Heights Rehabilitation	N/A	01/01/11	12/31/11	0	159,917	195,796	355,713
17.13. Grays Harbor Health & Rehabilitation Center	N/A	01/01/11	12/31/11	0	177,168	216,917	394,085
17.14. Avalon Care Center - Othello	N/A	01/01/11	12/31/11	0	56,151	68,749	124,900
17.15. Avalon Health & Rehabilitation Center	N/A	01/01/11	12/31/11	0	281,220	344,313	625,533
17.16. Avalon Care Center at Northpoint	N/A	01/01/11	12/31/11	0	241,666	295,886	537,552
17.17. Avalon Care Center - Pullman	N/A	01/01/11	12/31/11	0	74,161	90,799	164,960
	0	01/00/00	01/00/00	0	0	0	0
	0	01/00/00	01/00/00	0	0	0	0

SUBTOTAL (LINES 1 THROUGH 17.17)

\$871,678	\$6,987,475	\$8,773,844	\$16,632,997
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SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT COSTS (SCH. 7-1) 1	FUNCTIONAL COSTS (SCH. 5-1) 2	POOLED COSTS (SCH. 4) 3	TOTAL NONCAPITAL COSTS (COL. 1 TO 3)
	FROM	TO				

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	01/01/11	12/31/11	\$83,123	\$265,845	\$82,014	\$430,982
20. Brisol Hospice - Hawaii	N/A	01/01/11	12/31/11	0	440,264	178,191	618,455
21. Bristol Hospice - Utah	N/A	01/01/11	12/31/11	0	322,791	130,646	453,437
22. Bristol Hospice - Sacramento	N/A	01/01/11	12/31/11	53,082	611,117	188,532	852,731
22.01 * Bristol Hospice - Other	N/A	01/01/11	12/31/11	0	92,182	37,309	129,491
23. Brighton Health Care Services	N/A	01/01/11	12/31/11	0	1,272	12,342	13,614
24. Avalon Equipment Leasing	N/A	01/01/11	12/31/11	0	2,171	21,065	23,236
25. Avalon Transportation	N/A	01/01/11	12/31/11	0	1,655	16,055	17,710
26. One World Staffing	N/A	01/01/11	12/31/11	0	200	1,937	2,137
27. Brighton Rehabilitation	N/A	01/01/11	12/31/11	0	0	2	2
27.01 Other Non-Operating/Discon	N/A	01/01/11	12/31/11	0	1,421	13,789	15,210
27.04 Ponds at Punalu'u	N/A	01/01/11	12/31/11	0	0	81,163	81,163
	0	01/00/00	01/00/00	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

**OTHER COMPONENTS**

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<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>				\$136,205	\$1,738,918	\$763,044	\$2,638,167
<b>GRAND TOTAL</b>				\$1,007,883	\$8,726,393	\$9,536,888	\$19,271,164

(To Schedule 1 & 2)

## POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (SCH. 8) 2	NONCAPITAL (SCH. 8) 3	TOTAL POOLED (COL. 2 + 3) 4
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HEALTH CARE FACILITIES

1. Bennion Care Center	N/A	5,284,217	\$12,223	\$165,389	\$177,612
2. Heritage Care Center	N/A	5,343,123	12,359	167,233	179,592
3. Richfield Care Center	N/A	3,867,288	8,946	121,041	129,986
4. Willow Wood Care Center	N/A	4,017,039	9,292	125,728	135,020
5. Woodland Park Care Center	N/A	14,844,947	34,338	464,627	498,965
6. Avalon Care Center - Bountiful	N/A	5,926,690	13,709	185,497	199,207
7. Pioneer Care Center	N/A	3,126,911	7,233	97,868	105,101
7.01. North Canyon Care Center	N/A	4,989,535	11,541	156,166	167,707
8. Utah State Veterans Home	N/A	5,122,730	11,850	160,335	172,184
9. Willow Glen Health & Rehab	N/A	3,228,348	7,468	101,043	108,511
9.01. Ogden State Veterans Home	N/A	7,961,187	18,415	249,174	267,590
9.02. Heritage Hills Rehabilitation	N/A	2,630,054	6,084	82,317	88,401
9.03. Canyon Rim Care Center	N/A	4,770,493	11,035	149,310	160,345
10. Avalon Valley Health Care Center	N/A	9,810,363	22,693	307,051	329,744
11. Avalon Care Center of Shadow Mountain	N/A	6,955,785	16,090	217,707	233,796
12. Chandler Health Care Center	N/A	9,279,254	21,464	290,428	311,892
13. Southwest Health & Rehabilitation	N/A	14,432,165	33,384	451,707	485,091
14. Westgate Manor Convalescent Hospital	1730173725	4,560,589	10,549	142,740	153,290
15. Franciscan Convalescent Hospital	1871587964	4,432,678	10,253	138,737	148,990
16. Hy-Lond Convalescent Hospital Merced	1700870797	8,790,865	20,334	275,142	295,477
17. Hy-Lond Convalescent Hospital Modesto	1851385843	9,163,973	21,198	286,820	308,018
17.01. Modesto Convalescent Hospital	1326032327	4,343,019	10,046	135,931	145,977
17.02. San Luis Convalescent Hospital	1750375846	4,959,063	11,471	155,212	166,683
17.03. Mark Twain Convalescent Hospital	1215921242	8,090,205	18,714	253,213	271,926
17.04. Chowchilla Convalescent Center	1154315182	4,116,626	9,522	128,845	138,367
17.05. Avalon Care Center - Sonora	1356335384	11,022,964	25,498	345,004	370,502
17.06. Healdsburg Senior Living	1699837229	7,119,776	16,469	222,839	239,308
17.07. Avalon Care Center Honolulu	N/A	11,420,649	26,418	357,451	383,869
17.08. Hale Nani Rehabilitation and Nursing	N/A	29,543,552	68,338	924,674	993,012
17.09. Yukio Okutsu Veterans Home	N/A	11,754,188	27,189	367,890	395,079
17.10. Avalon Health and Rehabilitation Center	N/A	6,961,335	16,103	217,880	233,983
17.11. Willapa Harbor Care Center	N/A	3,718,502	8,601	116,384	124,986
17.12. Benson Heights Rehabilitation	N/A	6,255,723	14,470	195,796	210,266
17.13. Grays Harbor Health & Rehabilitation Center	N/A	6,930,548	16,031	216,917	232,948
17.14. Avalon Care Center - Othello	N/A	2,196,535	5,081	68,749	73,829
17.15. Avalon Health & Rehabilitation Center	N/A	11,000,901	25,447	344,313	369,760
17.16. Avalon Care Center at Northpoint	N/A	9,453,629	21,868	295,886	317,753
17.17. Avalon Care Center - Pullman	N/A	2,901,066	6,711	90,799	97,510

SUBTOTAL (LINES 1 THROUGH 17.17)

280,326,515	\$648,434	\$8,773,844	\$9,422,278
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POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	TOTAL COST (SCH. G, COL. 1)	CAPITAL (SCH. 8)	NONCAPITAL (SCH. 8)	TOTAL POOLED (COL. 2 + 3)
	1	2	3	4

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	2,620,378	\$6,061	\$82,014	\$88,076
20. Bristol Hospice - Hawaii	N/A	5,693,250	13,169	178,191	191,360
21. Bristol Hospice - Utah	N/A	4,174,160	9,655	130,646	140,301
22. Bristol Hospice - Sacramento	N/A	6,023,643	13,934	188,532	202,465
22.01 * Bristol Hospice - Other	N/A	1,192,045	2,757	37,309	40,067
23. Brighton Health Care Services	N/A	394,322	912	12,342	13,254
24. Avalon Equipment Leasing	N/A	673,017	1,557	21,065	22,621
25. Avalon Transportation	N/A	512,971	1,187	16,055	17,242
26. One World Staffing	N/A	61,873	143	1,937	2,080
27. Brighton Rehabilitation	N/A	69	0	2	2
27.01 Other Non-Operating/Discon	N/A	440,564	1,019	13,789	14,808
27.04 Ponds at Punalu'u	N/A	2,593,165	5,998	81,163	87,161
	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

**OTHER COMPONENTS**

**SUBTOTAL (LINES 19 THROUGH 27.04)**

24,379,457      \$56,393      \$763,044      \$819,437

**GRAND TOTAL**

304,705,972      \$704,827      \$9,536,888      \$10,241,715

(To Schedule 3)(To Schedule 3-1)

MULTIPLIER

0.002313      0.031299

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	New Capital-Buildings & Fixtures 4.00	4.03	4.04	4.05	4.07	New Capital - Movable Equip 5.00
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$0
2. Heritage Care Center	N/A	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0

SUBTOTAL (LINES 1 THROUGH 17.17)

\$0                      \$0                      \$0                      \$0                      \$0                      \$0

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	New Capital-Buildings & Fixtures 4.00	4.03	4.04	4.05	4.07	New Capital - Movable Equip 5.00
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$0	\$0	\$0
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0
	0	0	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

**OTHER COMPONENTS**

SUBTOTAL (LINES 19 THROUGH 27.04)

\$0      \$0      \$0      \$0      \$0      \$0

GRAND TOTA <sup>L</sup>

\$0      \$0      \$0      \$0      \$0      \$0

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	5.04	5.05	5.07	Taxes and Licenses (Non-Income) 8.00	Other 9.00	AUDITED TOTAL CAPITAL
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$0
2. Heritage Care Center	N/A	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0

SUBTOTAL (LINES 1 THROUGH 17.17)

\$0                      \$0                      \$0                      \$0                      \$0                      \$0

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	5.04	5.05	5.07	Taxes and Licenses (Non-Income) 8.00	Other 9.00	AUDITED TOTAL CAPITAL
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$0	\$0	\$0
20. Bristol Hospice - Hawaii	N/A	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0
	0	0	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest -

**OTHER COMPONENTS**

SUBTOTAL (LINES 19 THROUGH 27.04)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
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GRAND TOTAL

\$0	\$0	\$0	\$0	\$0	\$0	\$0
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(To Schedule 3)

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Salaries & Wages of Others 12	Payroll Taxes 13	Employee Benefits-Payroll 14	Employee Benefits-Nonpayroll 15	Employee Ben-Work Comp Premiums 16	Legal Fees 17	Auditing & Accounting Fees 18
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HEALTH CARE FACILITIES

1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$0
2. Heritage Care Center	N/A	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	110,011	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	106,926	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	212,054	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	221,054	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	104,763	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	119,623	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	195,153	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	99,302	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	265,897	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

\$0	\$0	\$0	\$0	\$1,434,783	\$0	\$0
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Salaries & Wages of Others 12	Payroll Taxes 13	Employee Benefits-Payroll 14	Employee Benefits-Nonpayroll 15	Employee Ben-Work Comp Premiums 16	Legal Fees 17	Auditing & Accounting Fees 18
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$0	\$63,209	\$0	\$0
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	145,303	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

**OTHER COMPONENTS**

SUBTOTAL (LINES 19 THROUGH 27.04)

\$0	\$0	\$0	\$0	\$208,512	\$0	\$0
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GRAND TOTA <sup>L</sup>

\$0	\$0	\$0	\$0	\$1,643,295	\$0	\$0
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Utilities 19	Communications 20	Travel & Entertainment 21	Cleaning, Office & Admin Supplies 23	Postage 23.01	Printing 23.02	Minor Equipment Expensed 24
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$0
2. Heritage Care Center	N/A	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

\$0                      \$0                      \$0                      \$0                      \$0                      \$0                      \$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Utilities 19	Communications 20	Travel & Entertainment 21	Cleaning, Office & Admin Supplies 23	Postage 23.01	Printing 23.02	Minor Equipment Expensed 24
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$0	\$0	\$0
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0
	0	0	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwes

**OTHER COMPONENTS**

**SUBTOTAL (LINES 19 THROUGH 27.04)**

\$0	\$0	\$0	\$0	\$0	\$0	\$0
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**GRAND TOTA <sup>L</sup>**

\$0	\$0	\$0	\$0	\$0	\$0	\$0
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
DHOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Repairs and Maintenance	Dues and Subscriptions	Ins Premiums - Non-Cap Rel	Tax/Lic - Non-Cap Rel	Interest Expense	Contracted Services	Training-Education / Caregiver
	25	26	28	29	30	33	35.01

HEALTH CARE FACILITIES

1. Bennion Care Center	N/A	\$0	\$0	\$17,045	\$0	\$0	\$0	\$0
2. Heritage Care Center	N/A	0	0	17,235	0	0	0	0
3. Richfield Care Center	N/A	0	0	12,474	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	12,957	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	47,883	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	19,117	0	0	0	0
7. Pioneer Care Center	N/A	0	0	10,086	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	16,094	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	16,524	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	10,413	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	25,679	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	8,483	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	15,388	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	31,644	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	22,436	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	29,931	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	46,552	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	14,710	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	14,298	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	28,355	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	29,559	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	14,009	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	15,996	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	26,095	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	13,278	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	35,555	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	36,838	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	95,295	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	37,914	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	22,454	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	11,994	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	20,178	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	22,355	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	7,085	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	35,484	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	30,493	0	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	9,358	0	0	0	0

SUBTOTAL (LINES 1 THROUGH 17.17)

\$0	\$0	\$881,245	\$0	\$0	\$0	\$0
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Repairs and Maintenance	Dues and Subscriptions	Ins Premiums - Non-Cap Rel	Tax/Lic - Non-Cap Rel	Interest Expense	Contracted Services	Training-Education / Caregiver
	25	26	28	29	30	33	35.01

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$8,452	\$0	\$0	\$0	\$0
20. Bristol Hospice - Hawaii	N/A	0	0	18,364	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	13,464	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	19,430	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	3,845	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	1,272	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	2,171	0	0	0	0
25. Avalon Transportation	N/A	0	0	1,655	0	0	0	0
26. One World Staffing	N/A	0	0	200	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	1,421	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwes

**OTHER COMPONENTS**

SUBTOTAL (LINES 19 THROUGH 27.04)

\$0	\$0	\$70,273	\$0	\$0	\$0	\$0
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GRAND TOTAL <sup>L</sup>

\$0	\$0	\$951,518	\$0	\$0	\$0	\$0
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Recruiting	Bank Charges	Arizona Regional Costs	California Regional Costs	Hawaii Regional Costs	Washington Regional Costs	Utah Regional Costs
	35.02	35.03	35.04	35.05	35.06	35.07	35.08

HEALTH CARE FACILITIES

1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$74,844
2. Heritage Care Center	N/A	0	0	0	0	0	0	75,679
3. Richfield Care Center	N/A	0	0	0	0	0	0	54,775
4. Willow Wood Care Center	N/A	0	0	0	0	0	0	56,896
5. Woodland Park Care Center	N/A	0	0	0	0	0	0	210,260
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0	83,944
7. Pioneer Care Center	N/A	0	0	0	0	0	0	44,289
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0	70,671
8. Utah State Veterans Home	N/A	0	0	0	0	0	0	72,557
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0	45,726
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0	112,760
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0	37,251
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0	67,568
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0	138,952
11. Avalon Care Center of Shadow Mountain	N/A	0	0	144,019	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	192,127	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	298,818	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	32,263	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	31,358	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	62,188	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	64,828	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	30,723	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	35,081	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	57,232	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	29,122	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	77,979	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	50,367	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	79,055	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	204,503	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	81,363	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	155,501	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	83,063	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	139,739	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	154,813	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	49,066	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	245,736	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	211,173	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	64,803	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

\$0	\$0	\$634,964	\$471,141	\$364,921	\$1,103,893	\$1,146,174
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Recruiting	Bank Charges	Arizona Regional Costs	California Regional Costs	Hawaii Regional Costs	Washington Regional Costs	Utah Regional Costs
	35.02	35.03	35.04	35.05	35.06	35.07	35.08

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwes

**OTHER COMPONENTS**

SUBTOTAL (LINES 19 THROUGH 27.04)

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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GRAND TOTAL <sup>L</sup>

\$0	\$0	\$634,964	\$471,141	\$364,921	\$1,103,893	\$1,146,174
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
DHOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

## COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Bristol Hospice	CA Care Giver Training	CA Regional Nursing	CA Regional Dietary	CA Regional Plant	AUDITED TOTAL NONCAPITAL
	35.09	35.10	35.11	35.12	35.13	

HEALTH CARE FACILITIES

1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$91,889
2. Heritage Care Center	N/A	0	0	0	0	0	92,913
3. Richfield Care Center	N/A	0	0	0	0	0	67,250
4. Willow Wood Care Center	N/A	0	0	0	0	0	69,854
5. Woodland Park Care Center	N/A	0	0	0	0	0	258,144
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	103,061
7. Pioneer Care Center	N/A	0	0	0	0	0	54,375
7.01. North Canyon Care Center	N/A	0	0	0	0	0	86,765
8. Utah State Veterans Home	N/A	0	0	0	0	0	89,081
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	56,139
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	138,440
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	45,735
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	82,956
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	170,596
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	166,456
12. Chandler Health Care Center	N/A	0	0	0	0	0	222,058
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	345,370
14. Westgate Manor Convalescent Hospital	1730173725	0	24,991	20,065	17,753	2,268	222,062
15. Franciscan Convalescent Hospital	1871587964	0	24,290	19,502	17,255	2,204	215,834
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	48,173	38,677	34,220	4,372	428,040
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	50,217	40,319	35,673	4,558	446,207
17.01. Modesto Convalescent Hospital	1326032327	0	23,799	19,108	16,906	2,160	211,468
17.02. San Luis Convalescent Hospital	1750375846	0	27,175	21,818	19,304	2,466	241,464
17.03. Mark Twain Convalescent Hospital	1215921242	0	44,333	35,594	31,493	4,023	393,924
17.04. Chowchilla Convalescent Center	1154315182	0	22,559	18,112	16,025	2,047	200,445
17.05. Avalon Care Center - Sonora	1356335384	0	60,404	48,498	42,909	5,482	536,724
17.06. Healdsburg Senior Living	1699837229	0	39,015	31,325	27,715	3,541	151,963
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	115,893
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	299,797
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	119,277
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	177,955
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	95,057
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	159,917
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	177,168
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	56,151
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	281,220
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	241,666
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	74,161

SUBTOTAL (LINES 1 THROUGH 17.17)

\$0	\$364,958	\$293,018	\$259,253	\$33,122	\$6,987,475
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Bristol Hospice	CA Care Giver Training	CA Regional Nursing	CA Regional Dietary	CA Regional Plant	AUDITED TOTAL NONCAPITAL
	35.09	35.10	35.11	35.12	35.13	

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$194,184	\$0	\$0	\$0	\$0	\$265,845
20. Bristol Hospice - Hawaii	N/A	421,900	0	0	0	0	440,264
21. Bristol Hospice - Utah	N/A	309,327	0	0	0	0	322,791
22. Bristol Hospice - Sacramento	N/A	446,384	0	0	0	0	611,117
22.01 * Bristol Hospice - Other	N/A	88,337	0	0	0	0	92,182
23. Brighton Health Care Services	N/A	0	0	0	0	0	1,272
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	2,171
25. Avalon Transportation	N/A	0	0	0	0	0	1,655
26. One World Staffing	N/A	0	0	0	0	0	200
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	1,421
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0
	0	0	0	0	0	0	0

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwes

**OTHER COMPONENTS**

SUBTOTAL (LINES 19 THROUGH 27.04)

\$1,460,132	\$0	\$0	\$0	\$0	\$1,738,918
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GRAND TOTAL <sup>L</sup>

\$1,460,132	\$364,958	\$293,018	\$259,253	\$33,122	\$8,726,393
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATE D

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	New Capital-Buildings & (Statistics) 4.00	(Statistics) 4.03	(Statistics) 4.04	(Statistics) 4.05	(Statistics) 4.07	New Capital - Movable Equip (Statistics) 5.00
	(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )

**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0	0	0
2. Heritage Care Center	N/A	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0
Avalon Care Center - Pullman	N/A	0	0	0	0	0

SUBTOTAL (LINES 1 THROUGH 17.17)

0	0	0	0	0	0	0
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**OTHER COMPONENTS**

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
COMPONENTS STATISTICS - CAPITAL RELATE <sup>D</sup>

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	New Capital-Buildings & (Statistics) 4.00 (Adj. )	(Statistics) 4.03 (Adj. )	(Statistics) 4.04 (Adj. )	(Statistics) 4.05 (Adj. )	(Statistics) 4.07 (Adj. )	New Capital - Movable Equip (Statistics) 5.00 (Adj. )
19. Bristol Hospice - California	N/A	0	0	0	0	0
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0
	0	0	0	0	0	0
* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )						
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>		0	0	0	0	0
<b>GRAND TOTA <sup>L</sup></b>		0	0	0	0	0
TOTAL STATISTICS		0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)		\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER		0.000000	0.000000	0.000000	0.000000	0.000000

LOCATION OF EXPENSES TO CHAIN  
STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	(Statistics) 5.05 (Adj. )	(Statistics) 5.07 (Adj. )	Taxes and Lic. (Non-Income) (Statistics) 8.00 (Adj. )	Other (Statistics) 9.00 (Adj. )
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0	0
2. Heritage Care Center	N/A	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0
Avalon Care Center - Pullman	N/A	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

0	0	0	0
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**OTHER COMPONENTS**

.LOCATION OF EXPENSES TO CHAIN  
STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	(Statistics) 5.05 (Adj. )	(Statistics) 5.07 (Adj. )	Taxes and Lic. (Non-Income) (Statistics) 8.00 (Adj. )	Other (Statistics) 9.00 (Adj. )
19. Bristol Hospice - California	N/A	0	0	0
20. Bristol Hospice - Hawaii	N/A	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0
23. Brighton Health Care Services	N/A	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0
25. Avalon Transportation	N/A	0	0	0
26. One World Staffing	N/A	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0
	0	0	0	0
* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )				
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>	0	0	0	0
<b>GRAND TOTAL</b>	0	0	0	0
TOTAL STATISTICS	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Salaries & Wages of Others (Statistics) 12.00 (Adj. )	Payroll Taxes (Statistics) 13.00 (Adj. )	Employee Benefits- Payroll (Statistics) 14.00 (Adj. )	Employee Benefits- Nonpayroll (Statistics) 15.00 (Adj. )	Employee Ben-Work Comp Premiums (Cost Less Mgt Fee ) 16.00 (Adj. 26)	Legal Fees (Statistics) 17.00 (Adj. )
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0	0	0	0
2. Heritage Care Center	N/A	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	4,560,589	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	4,432,678	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	8,790,865	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	9,163,973	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	4,343,019	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	4,959,063	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	8,090,205	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	4,116,626	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	11,022,964	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

0 0 0 0 59,479,982 0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Salaries & Wages of Others (Statistics) 12.00 (Adj. )	Payroll Taxes (Statistics) 13.00 (Adj. )	Employee Benefits-Payroll (Statistics) 14.00 (Adj. )	Employee Benefits-Nonpayroll (Statistics) 15.00 (Adj. )	Employee Ben-Work Comp Premiums (Cost Less Mgt Fee ) 16.00 (Adj. 26)	Legal Fees (Statistics) 17.00 (Adj. )
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	0	0	0	0	2,620,378	0
20. Bristol Hospice - Hawaii	N/A	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	6,023,643	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0
		0	0	0	0	0	0
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>		0	0	0	0	8,644,021	0
<b>GRAND TOTAL</b>		0	0	0	0	68,124,003	0
* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )		0	0	0	0	68,124,003	0
TOTAL STATISTICS		\$0	\$0	\$0	\$0	\$1,643,295	\$0
COST TO BE ALLOCATED (FROM SCHEDULE 8)		0.000000	0.000000	0.000000	0.000000	0.024122	0.000000
UNIT COST MULTIPLIER							

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	Auditing & Accounting Fees (Statistics) 18.00 (Adj. )	Utilities (Statistics) 19.00 (Adj. )	Communications (Statistics) 20.00 (Adj. )	Travel & Entertainment (Statistics) 21.00 (Adj. )	Cleaning, Office & Admin Supplies (Statistics) 23.00 (Adj. )	Postage (Statistics) 23.01 (Adj. )
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0	0	0
2. Heritage Care Center	N/A	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

0 0 0 0 0 0



FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
COMPONENTS STATISTICS - NONCAPITAL RELATEDHOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Printing (Statistics) 23.02 (Adj. )	Minor Equipment Expensed (Statistics) 24.00 (Adj. )	Repairs and Maintenance (Statistics) 25.00 (Adj. )	Dues and Subscriptions (Statistics) 26.00 (Adj. )	Ins Premiums - Non-Cap Rel (Cost Less Mgt Fee ) 28.00 (Adj. 27)	Tax/Lic - Non- Cap Rel (Statistics) 29.00 (Adj. )
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0	0	5,284,217	0
2. Heritage Care Center	N/A	0	0	0	0	5,343,123	0
3. Richfield Care Center	N/A	0	0	0	0	3,867,288	0
4. Willow Wood Care Center	N/A	0	0	0	0	4,017,039	0
5. Woodland Park Care Center	N/A	0	0	0	0	14,844,947	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	5,926,690	0
7. Pioneer Care Center	N/A	0	0	0	0	3,126,911	0
7.01. North Canyon Care Center	N/A	0	0	0	0	4,989,535	0
8. Utah State Veterans Home	N/A	0	0	0	0	5,122,730	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	3,228,348	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	7,961,187	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	2,630,054	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	4,770,493	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	9,810,363	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	6,955,785	0
12. Chandler Health Care Center	N/A	0	0	0	0	9,279,254	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	14,432,165	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	4,560,589	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	4,432,678	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	8,790,865	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	9,163,973	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	4,343,019	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	4,959,063	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	8,090,205	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	4,116,626	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	11,022,964	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	11,420,649	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	29,543,552	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	11,754,188	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	6,961,335	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	3,718,502	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	6,255,723	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	6,930,548	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	2,196,535	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	11,000,901	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	9,453,629	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	2,901,066	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

0 0 0 0 273,206,739 0

**FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
COMPONENTS STATISTICS - NONCAPITAL RELATED**

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Printing (Statistics) 23.02 (Adj. )	Minor Equipment Expensed (Statistics) 24.00 (Adj. )	Repairs and Maintenance (Statistics) 25.00 (Adj. )	Dues and Subscriptions (Statistics) 26.00 (Adj. )	Ins Premiums - Non-Cap Rel (Cost Less Mgt Fee ) 28.00 (Adj. 27)	Tax/Lic - Non- Cap Rel (Statistics) 29.00 (Adj. )
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	0	0	0	0	2,620,378	0
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	5,693,250	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	4,174,160	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	6,023,643	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	1,192,045	0
23. Brighton Health Care Services	N/A	0	0	0	0	394,322	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	673,017	0
25. Avalon Transportation	N/A	0	0	0	0	512,971	0
26. One World Staffing	N/A	0	0	0	0	61,873	0
27. Brighton Rehabilitation	N/A	0	0	0	0	69	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	440,564	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0
		0	0	0	0	0	0
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>		0	0	0	0	21,786,292	0
<b>GRAND TOTAL</b>		0	0	0	0	294,993,031	0
* Bristol Hospice - Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC)		0	0	0	0	294,993,031	0
TOTAL STATISTICS		\$0	\$0	\$0	\$0	\$951,518	\$0
COST TO BE ALLOCATED (FROM SCHEDULE 8)		0.000000	0.000000	0.000000	0.000000	0.003226	0.000000
UNIT COST MULTIPLIER							

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	Interest Expense (Statistics) 30.00 (Adj. )	Contracted Services (Statistics) 33.00 (Adj. )	Training-Education / Caregiver Training (Statistics) 35.01 (Adj. )	Recruiting (Statistics) 35.02 (Adj. )	Bank Charges (Statistics) 35.03 (Adj. )	Arizona Regional Costs (Cost Less Mgt Fee ) 35.04 (Adj. )
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0	0	0	0
2. Heritage Care Center	N/A	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	6,955,785
12. Chandler Health Care Center	N/A	0	0	0	0	0	9,279,254
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	14,432,165
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

0	0	0	0	0	0	30,667,204
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FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	California Regional Costs (Cost Less Mgt Fee) 35.05 (Adj. )	Hawaii Regional Costs (Cost Less Mgt Fee) 35.06 (Adj. )	Washington Regional Costs (Cost Less Mgt Fee) 35.07 (Adj. )	Utah Regional Costs (Cost Less Mgt Fee) 35.08 (Adj. )	Bristol Hospice (Cost Less Mgt Fee) 35.09 (Adj. )	CA Care Giver Training (Cost Less Mgt Fee) 35.10 (Adj. 28)
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0	5,284,217	0	0
2. Heritage Care Center	N/A	0	0	0	5,343,123	0	0
3. Richfield Care Center	N/A	0	0	0	3,867,288	0	0
4. Willow Wood Care Center	N/A	0	0	0	4,017,039	0	0
5. Woodland Park Care Center	N/A	0	0	0	14,844,947	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	5,926,690	0	0
7. Pioneer Care Center	N/A	0	0	0	3,126,911	0	0
7.01. North Canyon Care Center	N/A	0	0	0	4,989,535	0	0
8. Utah State Veterans Home	N/A	0	0	0	5,122,730	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	3,228,348	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	7,961,187	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	2,630,054	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	4,770,493	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	9,810,363	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	4,560,589	0	0	0	0	4,560,589
15. Franciscan Convalescent Hospital	1871587964	4,432,678	0	0	0	0	4,432,678
16. Hy-Lond Convalescent Hospital Merced	1700870797	8,790,865	0	0	0	0	8,790,865
17. Hy-Lond Convalescent Hospital Modesto	1851385843	9,163,973	0	0	0	0	9,163,973
17.01. Modesto Convalescent Hospital	1326032327	4,343,019	0	0	0	0	4,343,019
17.02. San Luis Convalescent Hospital	1750375846	4,959,063	0	0	0	0	4,959,063
17.03. Mark Twain Convalescent Hospital	1215921242	8,090,205	0	0	0	0	8,090,205
17.04. Chowchilla Convalescent Center	1154315182	4,116,626	0	0	0	0	4,116,626
17.05. Avalon Care Center - Sonora	1356335384	11,022,964	0	0	0	0	11,022,964
17.06. Healdsburg Senior Living	1699837229	7,119,776	0	0	0	0	7,119,776
17.07. Avalon Care Center Honolulu	N/A	0	11,420,649	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	29,543,552	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	11,754,188	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	6,961,335	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	3,718,502	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	6,255,723	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	6,930,548	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	2,196,535	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	11,000,901	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	9,453,629	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	2,901,066	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

66,599,758	52,718,389	49,418,239	80,922,925	0	66,599,758
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**FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
COMPONENTS STATISTICS - NONCAPITAL RELATED**

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	California Regional Costs (Cost Less Mgt Fee ) 35.05 (Adj. )	Hawaii Regional Costs (Cost Less Mgt Fee ) 35.06 (Adj. )	Washington Regional Costs (Cost Less Mgt Fee ) 35.07 (Adj. )	Utah Regional Costs (Cost Less Mgt Fee ) 35.08 (Adj. )	Bristol Hospice (Cost Less Mgt Fee ) 35.09 (Adj. )	CA Care Giver Training (Cost Less Mgt Fee ) 35.10 (Adj. 28)
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	0	0	0	0	2,620,378	0
20. Bristol Hospice - Hawaii	N/A	0	0	0	0	5,693,250	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	4,174,160	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	6,023,643	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	1,192,045	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0
		0	0	0	0	0	0
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,703,476</b>	<b>0</b>
<b>GRAND TOTAL</b>		<b>66,599,758</b>	<b>52,718,389</b>	<b>49,418,239</b>	<b>80,922,925</b>	<b>19,703,476</b>	<b>66,599,758</b>
* Bristol Hospice - Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC)							
TOTAL STATISTICS		66,599,758	52,718,389	49,418,239	80,922,925	19,703,476	66,599,758
COST TO BE ALLOCATED (FROM SCHEDULE 8)		\$471,141	\$364,921	\$1,103,893	\$1,146,174	\$1,460,132	\$364,958
UNIT COST MULTIPLIER		0.007074	0.006922	0.022338	0.014164	0.074105	0.005480

**FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
COMPONENTS STATISTICS - NONCAPITAL RELATED**

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	CA Regional Nursing (Cost Less Mgt Fee ) 35.11 (Adj. 28)	CA Regional Dietary (Cost Less Mgt Fee ) 35.12 (Adj. 28)	CA Regional Plant (Cost Less Mgt Fee ) 35.13 (Adj. 28)
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**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	0	0	0
2. Heritage Care Center	N/A	0	0	0
3. Richfield Care Center	N/A	0	0	0
4. Willow Wood Care Center	N/A	0	0	0
5. Woodland Park Care Center	N/A	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0
7. Pioneer Care Center	N/A	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0
8. Utah State Veterans Home	N/A	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0
12. Chandler Health Care Center	N/A	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	4,560,589	4,560,589	4,560,589
15. Franciscan Convalescent Hospital	1871587964	4,432,678	4,432,678	4,432,678
16. Hy-Lond Convalescent Hospital Merced	1700870797	8,790,865	8,790,865	8,790,865
17. Hy-Lond Convalescent Hospital Modesto	1851385843	9,163,973	9,163,973	9,163,973
17.01. Modesto Convalescent Hospital	1326032327	4,343,019	4,343,019	4,343,019
17.02. San Luis Convalescent Hospital	1750375846	4,959,063	4,959,063	4,959,063
17.03. Mark Twain Convalescent Hospital	1215921242	8,090,205	8,090,205	8,090,205
17.04. Chowchilla Convalescent Center	1154315182	4,116,626	4,116,626	4,116,626
17.05. Avalon Care Center - Sonora	1356335384	11,022,964	11,022,964	11,022,964
17.06. Healdsburg Senior Living	1699837229	7,119,776	7,119,776	7,119,776
17.07. Avalon Care Center Honolulu	N/A	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

66,599,758

66,599,758

66,599,758

**FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
COMPONENTS STATISTICS - NONCAPITAL RELATED**

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

MEDI-CAL NUMBER	CA Regional Nursing (Cost Less Mgt Fee ) 35.11 (Adj. 28)	CA Regional Dietary (Cost Less Mgt Fee ) 35.12 (Adj. 28)	CA Regional Plant (Cost Less Mgt Fee ) 35.13 (Adj. 28)
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**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	0	0	0
20. Bristol Hospice - Hawaii	N/A	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0
23. Brighton Health Care Services	N/A	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0
25. Avalon Transportation	N/A	0	0	0
26. One World Staffing	N/A	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0
		0	0	0
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>		<u>0</u>	<u>0</u>	<u>0</u>
<b>GRAND TOTAL</b>		<u>66,599,758</u>	<u>66,599,758</u>	<u>66,599,758</u>
Bristol Hospice - Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC)				
TOTAL STATISTICS		66,599,758	66,599,758	66,599,758
COST TO BE ALLOCATED (FROM SCHEDULE 8)		\$293,018	\$259,253	\$33,122
UNIT COST MULTIPLIER		0.004400	0.003893	0.000497

DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	REPORTED TOTAL (SCH. E)							AUDITED TOTAL
		(Adj. )						

**HEALTH CARE FACILITIES**

		\$0	\$0	\$0	\$0	\$0	\$0	\$0
1. Bennion Care Center	N/A	0	0	0	0	0	0	0
2. Heritage Care Center	N/A	0	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0	0	0
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0	0	0
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0	0	0
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0	0	0
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0	0	0
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0	0	0
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0	0	0
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0	0	0
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0	0	0
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0	0
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	REPORTED TOTAL (SCH. E)							AUDITED TOTAL
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(Adj. ) (Adj. ) (Adj. ) (Adj. ) (Adj. )

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20. Bristol Hospice - Hawaii	N/A	0	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0	0
		0	0	0	0	0	0	0

**SUBTOTAL (LINES 19 THROUGH 27.04)**

\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

**GRAND TOTAL**

\$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

(To Schedule 3)

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	REPORTED TOTAL (SCH. E-1)	Health Insurance Premiums (Adj. 15)	Liability Insurance Deductibles (Adj. 17)	Workers' Comp Deductibles (Adj. 18)	Health Insurance Deductibles (Adj. 19)	(Adj. )	(Adj. )	(Adj. )	
<b>HEALTH CARE FACILITIES</b>									
1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2. Heritage Care Center	N/A	0	0	0	0	0	0	0	
3. Richfield Care Center	N/A	0	0	0	0	0	0	0	
4. Willow Wood Care Center	N/A	0	0	0	0	0	0	0	
5. Woodland Park Care Center	N/A	0	0	0	0	0	0	0	
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0	0	
7. Pioneer Care Center	N/A	0	0	0	0	0	0	0	
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0	0	
8. Utah State Veterans Home	N/A	0	0	0	0	0	0	0	
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0	0	
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0	0	
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0	0	
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0	0	
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0	0	
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0	0	
12. Chandler Health Care Center	N/A	0	0	0	0	0	0	0	
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0	0	
14. Westgate Manor Convalescent Hospital	1730173725	0	0	13,313	86,687	0	0	0	
15. Franciscan Convalescent Hospital	1871587964	0	0	41,381	58,619	0	0	0	
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	74,404	25,596	0	0	0	
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	39,582	18,344	42,074	0	0	0	
17.01. Modesto Convalescent Hospital	1326032327	0	72,461	9,460	18,079	0	0	0	
17.02. San Luis Convalescent Hospital	1750375846	0	0	13,895	0	0	0	0	
17.03. Mark Twain Convalescent Hospital	1215921242	0	2,864	18,699	78,438	0	0	0	
17.04. Chowchilla Convalescent Center	1154315182	0	0	41,324	0	0	0	0	
17.05. Avalon Care Center - Sonora	1356335384	0	0	20,168	79,832	0	0	0	
17.06. Healdsburg Senior Living	1699837229	0	107,991	0	8,467	0	0	0	
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0	0	
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0	0	
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0	0	
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0	0	
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0	0	
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0	0	
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0	0	
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0	0	
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0	0	
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0	0	
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	0	0	
<b>SUBTOTAL (LINES 1 THROUGH 17.17)</b>		<b>\$0</b>	<b>\$107,991</b>	<b>\$114,907</b>	<b>\$250,988</b>	<b>\$397,792</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	REPORTED TOTAL (SCH. E-1)	Health Insurance Premiums	Liability Insurance Deductibles	Workers' Comp Deductibles	Health Insurance Deductibles				
		(Adj. 15)	(Adj. 17)	(Adj. 18)	(Adj. 19)	(Adj. )	(Adj. )	(Adj. )	
<b><u>OTHER COMPONENTS</u></b>									
19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$35,718	\$47,405	\$0	\$0	\$0
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	53,082	0	0	0	0
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>		\$0	\$0	\$0	\$88,800	\$47,405	\$0	\$0	\$0
<b>GRAND TOTAL</b>		\$0	\$107,991	\$114,907	\$339,788	\$445,197	\$0	\$0	\$0

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER							AUDITED TOTAL
	(Adj. )						

**HEALTH CARE FACILITIES**

1. Bennion Care Center	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Heritage Care Center	N/A	0	0	0	0	0	0	0
3. Richfield Care Center	N/A	0	0	0	0	0	0	0
4. Willow Wood Care Center	N/A	0	0	0	0	0	0	0
5. Woodland Park Care Center	N/A	0	0	0	0	0	0	0
6. Avalon Care Center - Bountiful	N/A	0	0	0	0	0	0	0
7. Pioneer Care Center	N/A	0	0	0	0	0	0	0
7.01. North Canyon Care Center	N/A	0	0	0	0	0	0	0
8. Utah State Veterans Home	N/A	0	0	0	0	0	0	0
9. Willow Glen Health & Rehab	N/A	0	0	0	0	0	0	0
9.01. Ogden State Veterans Home	N/A	0	0	0	0	0	0	0
9.02. Heritage Hills Rehabilitation	N/A	0	0	0	0	0	0	0
9.03. Canyon Rim Care Center	N/A	0	0	0	0	0	0	0
10. Avalon Valley Health Care Center	N/A	0	0	0	0	0	0	0
11. Avalon Care Center of Shadow Mountain	N/A	0	0	0	0	0	0	0
12. Chandler Health Care Center	N/A	0	0	0	0	0	0	0
13. Southwest Health & Rehabilitation	N/A	0	0	0	0	0	0	0
14. Westgate Manor Convalescent Hospital	1730173725	0	0	0	0	0	0	100,000
15. Franciscan Convalescent Hospital	1871587964	0	0	0	0	0	0	100,000
16. Hy-Lond Convalescent Hospital Merced	1700870797	0	0	0	0	0	0	100,000
17. Hy-Lond Convalescent Hospital Modesto	1851385843	0	0	0	0	0	0	100,000
17.01. Modesto Convalescent Hospital	1326032327	0	0	0	0	0	0	100,000
17.02. San Luis Convalescent Hospital	1750375846	0	0	0	0	0	0	13,895
17.03. Mark Twain Convalescent Hospital	1215921242	0	0	0	0	0	0	100,001
17.04. Chowchilla Convalescent Center	1154315182	0	0	0	0	0	0	41,324
17.05. Avalon Care Center - Sonora	1356335384	0	0	0	0	0	0	100,000
17.06. Healdsburg Senior Living	1699837229	0	0	0	0	0	0	116,458
17.07. Avalon Care Center Honolulu	N/A	0	0	0	0	0	0	0
17.08. Hale Nani Rehabilitation and Nursing	N/A	0	0	0	0	0	0	0
17.09. Yukio Okutsu Veterans Home	N/A	0	0	0	0	0	0	0
17.10. Avalon Health and Rehabilitation Center	N/A	0	0	0	0	0	0	0
17.11. Willapa Harbor Care Center	N/A	0	0	0	0	0	0	0
17.12. Benson Heights Rehabilitation	N/A	0	0	0	0	0	0	0
17.13. Grays Harbor Health & Rehabilitation Center	N/A	0	0	0	0	0	0	0
17.14. Avalon Care Center - Othello	N/A	0	0	0	0	0	0	0
17.15. Avalon Health & Rehabilitation Center	N/A	0	0	0	0	0	0	0
17.16. Avalon Care Center at Northpoint	N/A	0	0	0	0	0	0	0
17.17. Avalon Care Center - Pullman	N/A	0	0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 17.17)**

\$0      \$0      \$0      \$0      \$0      \$0      \$871,678

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER							AUDITED TOTAL
	(Adj. )						

**OTHER COMPONENTS**

19. Bristol Hospice - California	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$83,123
20. Brisol Hospice - Hawaii	N/A	0	0	0	0	0	0	0
21. Bristol Hospice - Utah	N/A	0	0	0	0	0	0	0
22. Bristol Hospice - Sacramento	N/A	0	0	0	0	0	0	53,082
22.01 * Bristol Hospice - Other	N/A	0	0	0	0	0	0	0
23. Brighton Health Care Services	N/A	0	0	0	0	0	0	0
24. Avalon Equipment Leasing	N/A	0	0	0	0	0	0	0
25. Avalon Transportation	N/A	0	0	0	0	0	0	0
26. One World Staffing	N/A	0	0	0	0	0	0	0
27. Brighton Rehabilitation	N/A	0	0	0	0	0	0	0
27.01 Other Non-Operating/Discon	N/A	0	0	0	0	0	0	0
27.04 Ponds at Punalu'u	N/A	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$136,205
<b>GRAND TOTAL</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$1,007,883

(To Schedule 3-1)

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

LINE NO.	COST CENTER DESCRIPTION	REPORTED POOLED ALLOC. (SCH. B, COL 8)	ADJ. NO.	ADJUSTMENT AMOUNTS	AUDITED POOLED COSTS
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Capital-Buildings & Fixtures	\$463,516	5, 6	(\$54,325)	\$409,191
4.03		0		0	0
4.04		0		0	0
4.05		0		0	0
4.07		0		0	0
4.10		0		0	0
5.00	New Capital-Movable Equipment	323,447	5, 6	(27,811)	295,636
5.03		0		0	0
5.04		0		0	0
5.05		0		0	0
5.07		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.07)	<u>\$786,963</u>		<u>(\$82,136)</u>	<u>\$704,827</u>
<b>OTHER CAPITAL-RELATED COSTS</b>					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses (Non-Income)	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>NON CAPITAL-RELATED COSTS</b>					
12.00	Salaries & Wages of Others	6,628,680		0	\$6,628,680
13.00	Payroll Taxes	454,317		0	454,317
14.00	Employee Benefits-Payroll	438,876	11, 14, 16	(178,794)	260,082
15.00	Employee Benefits-Nonpayroll	12,211		0	12,211
16.00	Employee Ben-Work Comp Premiums	0		0	0
17.00	Legal Fees	163,133	3, 8	(58,171)	104,962
18.00	Auditing & Accounting Fees	204,001	9, 10	(137,500)	66,501
19.00	Utilities	56,843	5, 6	(3,688)	53,155
20.00	Communications	135,688	5, 25	13,535	149,223
21.00	Travel & Entertainment	907,292	23	(545,014)	362,278
23.00	Cleaning, Office & Admin Supplies	166,643	5	(7,124)	159,519
23.01	Postage	75,899			75,899
23.02	Printing	21,911		0	21,911
24.00	Minor Equipment Expensed	88,927	5	(1,197)	87,730
25.00	Repairs and Maintenance	269,115	5	(9,183)	259,932
26.00	Dues and Subscriptions	49,965		0	49,965
28.00	Ins Premiums - Non-Cap Rel	9,359		0	9,359
29.00	Tax/Lic - Non-Cap Rel	11,026		0	11,026
30.00	Interest Expense	11,853		0	11,853
33.00	Contracted Services	777,681	4,5,6,22	(165,191)	612,490
35.01	Training-Education / Caregiver Training	40,098		0	40,098
35.02	Recruiting	124,236	7	(18,815)	105,421
35.03	Bank Charges	276		0	276
35.04	Arizona Regional Costs	0		0	0
35.05	California Regional Costs	0		0	0
35.06	Hawaii Regional Costs	0		0	0
35.07	Washington Regional Costs	0		0	0
35.08	Utah Regional Costs	0		0	0
35.09	Bristol Hospice	0		0	0
35.10	California Regional Costs - Caregiver Training	0		0	0
35.11	California Regional Costs - Nursing	0		0	0
35.12	California Regional Costs - Dietary	0		0	0
35.13	California Regional Costs - Plant Ops & Maint	0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.13)	<u>\$10,648,030</u>		<u>(\$1,111,142)</u>	<u>\$9,536,888</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$11,434,993</u>		<u>(\$1,193,278)</u>	<u>\$10,241,715</u> (To Sch. 4)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
	<b>TOTAL EXPENSES</b>	<u>\$11,434,993</u>		<u>(\$1,193,278)</u>	<u>\$10,241,715</u>

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

LINE NO.	COST CENTER DESCRIPTION	REPORTED DIRECT ALLOC. (SCH. B, COL 6)	ADJ. NO.	ADJUSTMENT AMOUNTS	AUDITED DIRECT COSTS
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Capital-Buildings & Fixtures	\$0		\$0	\$0
4.03		0		0	0
4.04		0		0	0
4.05		0		0	0
4.07		0		0	0
4.10		0		0	0
5.00	New Capital-Movable Equipment	0		0	0
5.03		0		0	0
5.04		0		0	0
5.05		0		0	0
5.07		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.07)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>OTHER CAPITAL-RELATED COSTS</b>					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses (Non-Income)	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>NON CAPITAL-RELATED COSTS</b>					
12.00	Salaries & Wages of Others	\$0		\$0	\$0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll	0		0	0
15.00	Employee Benefits-Nonpayroll	0		0	0
16.00	Employee Ben-Work Comp Premiums	0		0	0
17.00	Legal Fees	0		0	0
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel & Entertainment	0		0	0
23.00	Cleaning, Office & Admin Supplies	0		0	0
23.01	Postage	0		0	0
23.02	Printing	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs and Maintenance	0		0	0
26.00	Dues and Subscriptions	0		0	0
28.00	Ins Premiums - Non-Cap Rel	0	15, 16	1,007,882	1,007,882
29.00	Tax/Lic - Non-Cap Rel	0		0	0
30.00	Interest Expense	0		0	0
33.00	Contracted Services	0		0	0
35.01	Training-Education / Caregiver Training	0		0	0
35.02	Recruiting	0		0	0
35.03	Bank Charges	0		0	0
35.04	Arizona Regional Costs	0		0	0
35.05	California Regional Costs	0		0	0
35.06	Hawaii Regional Costs	0		0	0
35.07	Washington Regional Costs	0		0	0
35.08	Utah Regional Costs	0		0	0
35.09	Bristol Hospice	0		0	0
35.10	California Regional Costs - Caregiver Training	0		0	0
35.11	California Regional Costs - Nursing	0		0	0
35.12	California Regional Costs - Dietary	0		0	0
35.13	California Regional Costs - Plant Ops & Maint	0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.13)	<u>\$0</u>		<u>\$1,007,882</u>	<u>\$1,007,882</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$0</u>		<u>\$1,007,882</u>	<u>\$1,007,882</u>
(To Sch. 7, 7-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENSES</b>		<u>\$0</u>		<u>\$1,007,882</u>	<u>\$1,007,882</u>

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
AVALON HEALTH CARE MANAGEMENT, INC.FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

LINE NO.	COST CENTER DESCRIPTION	REPORTED FUNCTIONAL COSTS (SCH. B, COL 7)	ADJ. NO.	ADJUSTMENT AMOUNTS	AUDITED FUNCTIONAL COSTS
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Capital-Buildings & Fixtures	\$0		\$0	\$0
4.03		0		0	0
4.04		0		0	0
4.05		0		0	0
4.07		0		0	0
4.10		0		0	0
5.00	New Capital-Movable Equipment	0		0	0
5.03		0		0	0
5.04		0		0	0
5.05		0		0	0
5.07		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.07)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>OTHER CAPITAL-RELATED COSTS</b>					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses (Non-Income)	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>NON CAPITAL-RELATED COSTS</b>					
12.00	Salaries & Wages of Others	\$0		\$0	\$0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll	0		0	0
15.00	Employee Benefits-Nonpayroll	0		0	0
16.00	Employee Ben-Work Comp Premiums	0	12	1,643,295	1,643,295
17.00	Legal Fees	0		0	0
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel & Entertainment	0		0	0
23.00	Cleaning, Office & Admin Supplies	0		0	0
23.01	Postage	0		0	0
23.02	Printing	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs and Maintenance	0		0	0
26.00	Dues and Subscriptions	0		0	0
28.00	Ins Premiums - Non-Cap Rel	0	13	951,518	951,518
29.00	Tax/Lic - Non-Cap Rel	0		0	0
30.00	Interest Expense	0		0	0
33.00	Contracted Services	0		0	0
35.01	Training-Education / Caregiver Training	0		0	0
35.02	Recruiting	0		0	0
35.03	Bank Charges	0		0	0
35.04	Arizona Regional Costs	634,964		0	634,964
35.05	California Regional Costs	1,655,497	1,2,11,14,16,20,21,24	(1,184,356)	471,141
35.06	Hawaii Regional Costs	360,211	3	4,710	364,921
35.07	Washington Regional Costs	1,103,893		0	1,103,893
35.08	Utah Regional Costs	1,120,386	3	25,788	1,146,174
35.09	Bristol Hospice	1,525,006	14	(64,874)	1,460,132
35.10	California Regional Costs - Caregiver Training	0	2	364,958	364,958
35.11	California Regional Costs - Nursing	0	1	293,018	293,018
35.12	California Regional Costs - Dietary	0	1	259,253	259,253
35.13	California Regional Costs - Plant Ops & Maint	0	1	33,122	33,122
36.00	SUBTOTAL (sum of lines 11 through 35.13)	<u>\$6,399,957</u>		<u>\$2,326,432</u>	<u>\$8,726,389</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$6,399,957</u>		<u>\$2,326,432</u>	<u>\$8,726,389</u>
(To Sch. 6, 6-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENSES</b>		<u>\$6,399,957</u>		<u>\$2,326,432</u>	<u>\$8,726,389</u>

REPORTED HOME OFFICE COSTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT ALLOCATION		FUNCTIONAL ALLOCATION		POOLED ALLOCATION		TOTAL ALLOCATION HOME OFFICE COSTS	
	FROM	TO	CAPITAL RELATED COSTS (SCH. E)	NON-CAPITAL RELATED COSTS (SCH. E-1)	CAPITAL RELATED COSTS (SCH. F)	NON-CAPITAL RELATED COSTS (SCH. F-1)	CAPITAL RELATED COSTS (SCH. G)	NON-CAPITAL RELATED COSTS (SCH. G)		
<b>HEALTH CARE FACILITIES</b>										
1. Bennion Care Center	N/A	01/01/11	12/31/11	\$0	\$0	\$0	\$73,160	\$13,647	\$184,656	\$271,463
2. Heritage Care Center	N/A	01/01/11	12/31/11	0	0	0	73,976	13,800	186,713	274,489
3. Richfield Care Center	N/A	01/01/11	12/31/11	0	0	0	53,543	9,988	135,147	198,678
4. Willow Wood Care Center	N/A	01/01/11	12/31/11	0	0	0	55,616	10,375	140,378	206,369
5. Woodland Park Care Center	N/A	01/01/11	12/31/11	0	0	0	205,537	38,340	518,761	762,638
6. Avalon Care Center - Bountiful	N/A	01/01/11	12/31/11	0	0	0	82,055	15,307	207,109	304,471
7. Pioneer Care Center	N/A	01/01/11	12/31/11	0	0	0	43,292	8,076	109,275	160,643
7.01. North Canyon Care Center	N/A	01/01/11	12/31/11	0	0	0	69,080	12,886	174,360	256,326
8. Utah State Veterans Home	N/A	01/01/11	12/31/11	0	0	0	70,924	13,231	179,014	263,169
9. Willow Glen Health & Rehab	N/A	01/01/11	12/31/11	0	0	0	44,696	8,338	112,812	165,846
9.01. Ogden State Veterans Home	N/A	01/01/11	12/31/11	0	0	0	110,223	20,562	278,209	408,994
9.02. Heritage Hills Rehabilitation	N/A	01/01/11	12/31/11	0	0	0	36,413	6,793	91,907	135,113
9.03. Canyon Rim Care Center	N/A	01/01/11	12/31/11	0	0	0	66,047	12,321	166,710	245,078
10. Avalon Valley Health Care Center	N/A	01/01/11	12/31/11	0	0	0	135,824	25,337	342,824	503,985
11. Avalon Care Center of Shadow Mountain	N/A	01/01/11	12/31/11	0	0	0	144,020	17,965	243,070	405,055
12. Chandler Health Care Center	N/A	01/01/11	12/31/11	0	0	0	192,127	23,966	324,270	540,363
13. Southwest Health & Rehabilitation	N/A	01/01/11	12/31/11	0	0	0	298,817	37,274	504,332	840,423
14. Westgate Manor Convalescent Hospital	1730173725	01/01/11	12/31/11	0	0	0	113,363	11,779	159,372	284,514
15. Franciscan Convalescent Hospital	1871587964	01/01/11	12/31/11	0	0	0	110,183	11,448	154,905	276,536
16. Hy-Lond Convalescent Hospital Merced	1700870797	01/01/11	12/31/11	0	0	0	218,515	22,703	307,195	548,413
17. Hy-Lond Convalescent Hospital Modesto	1851385843	01/01/11	12/31/11	0	0	0	227,789	23,667	320,234	571,690
17.01. Modesto Convalescent Hospital	1326032327	01/01/11	12/31/11	0	0	0	107,954	11,217	151,771	270,942
17.02. San Luis Convalescent Hospital	1750375846	01/01/11	12/31/11	0	0	0	123,267	12,808	173,293	309,368
17.03. Mark Twain Convalescent Hospital	1215921242	01/01/11	12/31/11	0	0	0	201,098	20,895	282,715	504,708
17.04. Chowchilla Convalescent Center	1154315182	01/01/11	12/31/11	0	0	0	102,327	10,632	143,855	256,814
17.05. Avalon Care Center - Sonora	1356335384	01/01/11	12/31/11	0	0	0	274,025	28,469	385,201	687,695
17.06. Healdsburg Senior Living	1699837229	01/01/11	12/31/11	0	0	0	176,976	18,388	248,801	444,165
17.07. Avalon Care Center Honolulu	N/A	01/01/11	12/31/11	0	0	0	78,037	29,496	399,102	506,635
17.08. Hale Nani Rehabilitation and Nursing	N/A	01/01/11	12/31/11	0	0	0	201,858	76,298	1,032,398	1,310,554
17.09. Yukio Okutsu Veterans Home	N/A	01/01/11	12/31/11	0	0	0	80,316	30,357	410,750	521,423
17.10. Avalon Health and Rehabilitation Center	N/A	01/01/11	12/31/11	0	0	0	155,502	17,980	243,266	416,748
17.11. Willapa Harbor Care Center	N/A	01/01/11	12/31/11	0	0	0	83,064	9,604	129,945	222,613
17.12. Benson Heights Rehabilitation	N/A	01/01/11	12/31/11	0	0	0	139,740	16,157	218,609	374,506
17.13. Grays Harbor Health & Rehabilitation Center	N/A	01/01/11	12/31/11	0	0	0	154,815	17,900	242,189	414,904
17.14. Avalon Care Center - Othello	N/A	01/01/11	12/31/11	0	0	0	49,066	5,674	76,762	131,502
17.15. Avalon Health & Rehabilitation Center	N/A	01/01/11	12/31/11	0	0	0	245,727	28,411	384,428	658,566
17.16. Avalon Care Center at Northpoint	N/A	01/01/11	12/31/11	0	0	0	211,175	24,416	330,363	565,954
17.17. Avalon Care Center - Pullman	N/A	01/01/11	12/31/11	0	0	0	64,804	7,493	101,380	173,677
<b>SUBTOTAL (LINES 1 THROUGH 17.17)</b>				\$0	\$0	\$0	\$4,874,951	\$723,998	\$9,796,081	\$15,395,030

REPORTED HOME OFFICE COSTS

HOME OFFICE NAME:  
 AVALON HEALTH CARE MANAGEMENT, INC.

FISCAL PERIOD ENDED:  
 DECEMBER 31, 2011

OTHER COMPONENTS

MEDI-CAL NUMBER	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT ALLOCATION		FUNCTIONAL ALLOCATION		POOLED ALLOCATION		TOTAL ALLOCATION HOME OFFICE COSTS	
			CAPITAL RELATED COSTS (SCH. E)	NON-CAPITAL RELATED COSTS (SCH. E-1)	CAPITAL RELATED COSTS (SCH. F)	NON-CAPITAL RELATED COSTS (SCH. F-1)	CAPITAL RELATED COSTS (SCH. G)	NON-CAPITAL RELATED COSTS (SCH. G)		
	FROM	TO								
19. Bristol Hospice - California	N/A	01/01/11	12/31/11	\$0	\$0	\$0	\$202,812	\$ 6,768	\$ 91,570	\$301,150
20. Brisol Hospice - Hawaii	N/A	01/01/11	12/31/11	0	0	0	440,646	14,704	198,953	654,303
21. Bristol Hospice - Utah	N/A	01/01/11	12/31/11	0	0	0	323,072	10,781	145,867	479,720
22. Bristol Hospice - Sacramento	N/A	01/01/11	12/31/11	0	0	0	466,215	15,556	210,498	692,269
22.01 * Bristol Hospice - Other	N/A	01/01/11	12/31/11	0	0	0	92,261	3,078	41,657	136,996
23. Brighton Health Care Services	N/A	01/01/11	12/31/11	0	0	0	0	1,019	13,779	14,798
24. Avalon Equipment Leasing	N/A	01/01/11	12/31/11	0	0	0	0	1,738	23,519	25,257
25. Avalon Transportation	N/A	01/01/11	12/31/11	0	0	0	0	1,325	17,926	19,251
26. One World Staffing	N/A	01/01/11	12/31/11	0	0	0	0	160	2,162	2,322
27. Brighton Rehabilitation	N/A	01/01/11	12/31/11	0	0	0	0	0	3	3
27.01 Other Non-Operating/Discon	N/A	01/01/11	12/31/11	0	0	0	0	1,138	15,396	16,534
27.04 Ponds at Punalu'u	N/A	01/01/11	12/31/11	0	0	0	0	6,698	90,619	97,317
				0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 19 THROUGH 27.04)</b>				\$0	\$0	\$0	\$1,525,006	\$62,965	\$851,949	\$2,439,920
<b>GRAND TOTAL</b>				\$0	\$0	\$0	\$6,399,957	\$786,963	\$10,648,030	\$17,834,950

(To Sch. 2, Col. 1)

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern Tennessee, East - LLC, Northwest - LLC )

\* Bristol Hospice -Other (Texas, Home Care, Georgia, Eastern)

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<b>RECLASSIFICATIONS OF REPORTED COSTS</b>												
1	8	Not Reported			35.11	7	Functional Cost - California Regional Costs - Nursing	\$0	\$293,018	\$293,018		
	8	Not Reported			35.12	7	Functional Cost - California Regional Costs - Dietary	0	259,253	259,253		
	8	Not Reported			35.13	7	Functional Cost - California Regional Costs - Plant Operations & Maint	0	33,122	33,122		
	8	B			35.05	7	Functional Cost - California Regional Costs To carve out regional costs in order to allocate to chain components based on cost category. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2300 and 2304	1,655,497	(585,393)	1,070,104 *		
2	8	Not Reported			35.10	7	Functional Cost - California Regional Costs - Caregiver Training	\$0	\$364,958	\$364,958		
	8	B			35.05	7	Functional Cost - California Regional Costs To carve out caregiver training costs to allocate to chain components based on cost category. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2300 and 2304 CCR, Title 22, Section 52000	* 1,070,104	(364,958)	705,146 *		
3	8	B			35.06	7	Functional Cost - Hawaii Regional Costs	\$360,211	\$4,710	\$364,921		
	8	B			35.08	7	Functional Cost - Utah Regional Costs	1,120,386	25,788	1,146,174		
	8	B			17.00	8	Pooled Cost - Legal Fees To reclassify legal fees to the benefitting region for functional allocation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2300 and 2304	163,133	(30,498)	132,635 *		

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<b>ADJUSTMENTS TO REPORTED COSTS</b>												
4	8	B			33.00	8	Pooled Cost - Contracted Services To eliminate nonallowable consultant service fees related to the provider's China initiative project. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2100, 2102.3, and 2304	\$777,681	(\$99,168)	\$678,513 *		
5	8	B			4.00	8	Pooled Cost - New CRC - Bldg and Fixtures	\$463,516	(\$39,509)	\$424,007 *		
	8	B			5.00	8	Pooled Cost - New CRC - Equipment	323,447	(20,226)	303,221 *		
	8	B			19.00	8	Pooled Cost - Utilities	56,843	(3,555)	53,288 *		
	8	B			20.00	8	Pooled Cost - Communications	135,688	(5,338)	130,350 *		
	8	B			23.00	8	Pooled Cost - Cleaning Office and Admin Supp	166,643	(7,124)	159,519		
	8	B			24.00	8	Pooled Cost - Minor Equipment Expensed	88,927	(1,197)	87,730		
	8	B			25.00	8	Pooled Cost - Repairs and Maintenance	269,115	(9,183)	259,932		
	8	B			33.00	8	Pooled Cost - Contracted Services * To eliminate allocable overhead costs associated with the provider's China initiative project. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2100, 2102.3, and 2304	678,513	(5,065)	673,448 *		
6	8	B			4.00	8	Pooled Cost - New CRC - Bldg and Fixtures	* \$424,007	(\$14,816)	\$409,191		
	8	B			5.00	8	Pooled Cost - New CRC - Equipment	* 303,221	(7,585)	295,636		
	8	B			19.00	8	Pooled Cost - Utilities	* 53,288	(133)	53,155		
	8	B			33.00	8	Pooled Cost - Contracted Services * To eliminate allocable overhead costs in conjunction with the provider's Chairman's Office adjustment. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2100, 2102.3, and 2304	673,448	(788)	672,660 *		
7	8	B			35.02	8	Pooled Cost - Recruiting To eliminate recruiting expenses that are not allowable, due to lack of documentation and not related to the audit period. 42 CFR 413.9(b)(2), 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2136.2, 2300 and 2304	\$124,236	(\$18,815)	\$105,421		

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>												
8	8	B			17.00	8	Pooled Cost - Legal Fees To eliminate prior year legal fees and legal fees not related to patient care. 42 CFR 413.5, 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300, 2302.1 and 2304	*	\$132,635	(\$27,673)	\$104,962	
9	8	B			18.00	8	Pooled Cost - Auditing and Accounting Fees To adjust accrued audit fees to agree with vendor invoice. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$204,001	(\$17,500)	\$186,501 *	
10	8	B			18.00	8	Pooled Cost - Auditing and Accounting Fees To eliminate accrued tax return fees not related to patient care. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2122.2A, 2102.3, 2300 and 2304	*	\$186,501	(\$120,000)	\$66,501	
11	8	B			14.00	8	Pooled Cost - Employee Benefits - Payroll Related		\$438,876	(\$34,773)	\$404,103 *	
	8	B			35.05	7	Functional Cost - California Regional Costs To adjust workers' compensation insurance costs due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2162.5, 2300 and 2304	*	705,146	(65,574)	639,572 *	
12	8	B			16.00	7	Functional Cost - Employee Benefits-Workers' Comp Premiums To include workers' compensation insurance premium costs for functional allocation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2162.5, 2300 and 2304		\$0	\$1,643,295	\$1,643,295	
13	8	B			28.00	7	Functional Cost - Insurance Premiums - Non-Cap Rel To include liability insurance premium costs for functional allocation to all chain components. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2300 and 2304		\$0	\$951,518	\$951,518	
*Balance carried forward from prior/to subsequent adjustments											Page 3	

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<b>ADJUSTMENTS TO REPORTED COSTS</b>												
14	8	B			14.00	8	Pooled Cost - Employee Benefits - Payroll Related	*	\$404,103	(\$244,021)	\$160,082	*
	8	B			35.05	7	Functional Cost - California Regional Costs	*	639,572	(83,770)	555,802	*
	8	B			35.09	7	Functional Cost - Bristol Hospice		1,525,006	(64,874)	1,460,132	
							To adjust the reported health insurance cost to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304					
15	8	B			28.00	6	Direct Cost - Insurance Premiums - Non-Cap Rel		\$0	\$107,991	\$107,991	*
	7-1	Not Reported			17.06		Direct Cost - Healdsburg Senior Living		0	107,991	107,991	*
							To include health insurance premiums for direct assignment of cost to chain component. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2162, 2300 and 2304					
16	8	B			28.00	6	Direct Cost - Insurance Premiums - Non-Cap Rel	*	\$107,991	\$899,891	\$1,007,882	
	8	B			14.00	8	Pooled Cost - Employee Benefits - Payroll Related	*	160,082	100,000	260,082	
	8	B			35.05	7	Functional Cost - California Regional Costs	*	555,802	50,290	606,092	*
							To include the aggregate self-insured paid deductibles for the liability, workers' compensation and health insurance programs for allocation to the chain components. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2162.5, 2162.7, 2162.8, 2300 and 2304 W & I Code, Section 14126.023					
17	7-1	Not Reported			17.00		Direct Cost - Hy-Lond Convalescent Hospital Modesto		\$0	\$39,582	\$39,582	*
	7-1	Not Reported			17.01		Direct Cost - Modesto Convalescent Hospital		0	72,461	72,461	*
	7-1	Not Reported			17.03		Direct Cost - Mark Twain Convalescent Hospital		0	2,864	2,864	*
							To include the liability insurance deductibles portion for direct assignment of cost to chain components. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2162.5, 2162.7, 2162.8, 2300 and 2304 W & I Code, Section 14126.023					

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>												
18	7-1	Not Reported			14.00		Direct Cost - Westgate Manor Convalescent Hospital		\$0	\$13,313	\$13,313	*
	7-1	Not Reported			15.00		Direct Cost - Franciscan Convalescent Hospital		0	41,381	41,381	*
	7-1	Not Reported			16.00		Direct Cost - Hy-Lond Convalescent Hospital - Merced		0	74,404	74,404	*
	7-1	Not Reported			17.00		Direct Cost - Hy-Lond Convalescent Hospital - Modesto	*	39,582	18,344	57,926	*
	7-1	Not Reported			17.01		Direct Cost - Modesto Convalescent Hospital	*	72,461	9,460	81,921	*
	7-1	Not Reported			17.02		Direct Cost - San Luis Convalescent Hospital		0	13,895	13,895	
	7-1	Not Reported			17.03		Direct Cost - Mark Twain Convalescent Hospital	*	2,864	18,699	21,563	*
	7-1	Not Reported			17.04		Direct Cost - Chowchilla Convalescent Center		0	41,324	41,324	
	7-1	Not Reported			17.05		Direct Cost - Avalon Care Center - Sonora		0	20,168	20,168	*
	7-1	Not Reported			19.00		Direct Cost - Bristol Hospice - California		0	35,718	35,718	*
	7-1	Not Reported			22.00		Direct Cost - Bristol Hospice - Sacramento		0	53,082	53,082	
							To include the workers' compensation insurance deductibles portion for direct assignment of costs to chain components. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2162.5, 2162.7, 2162.8, 2300 and 2304 W & I Code, Section 14126.023					
19	7-1	Not Reported			14.00		Direct Cost - Westgate Manor Convalescent Hospital	*	\$13,313	\$86,687	\$100,000	
	7-1	Not Reported			15.00		Direct Cost - Franciscan Convalescent Hospital	*	41,381	58,619	100,000	
	7-1	Not Reported			16.00		Direct Cost - Hy-Lond Convalescent Hospital - Merced	*	74,404	25,596	100,000	
	7-1	Not Reported			17.00		Direct Cost - Hy-Lond Convalescent Hospital - Modesto	*	57,926	42,074	100,000	
	7-1	Not Reported			17.01		Direct Cost - Modesto Convalescent Hospital	*	81,921	18,079	100,000	
	7-1	Not Reported			17.03		Direct Cost - Mark Twain Convalescent Hospital	*	21,563	78,438	100,001	
	7-1	Not Reported			17.05		Direct Cost - Avalon Care Center - Sonora	*	20,168	79,832	100,000	
	7-1	Not Reported			17.06		Direct Cost - Healdsburg Senior Living	*	107,991	8,467	116,458	
	7-1	Not Reported			19.00		Direct Cost - Bristol Hospice - California	*	35,718	47,405	83,123	
							To include the health insurance deductibles portion for direct assignment of costs to chain components. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2162.5, 2162.7, 2162.8, 2300 and 2304 W & I Code, Section 14126.023					

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>												
20	8	B			35.05	7	Functional Cost - California Regional Costs To eliminate accounting fees in connection with a fair hearing or other litigation against California Department of Health Care Services and due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W & I Code, Section 14126.023(a)(3)(B) and 14126.023(a)(3)(C)	*	\$606,092	(\$6,693)	\$599,399 *	
21	8	B			35.05	7	Functional Cost - California Regional Costs To eliminate consulting fees that should be capitalized as part of the historical cost of the new building. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.1A, 2300 and 2304	*	\$599,399	(\$7,953)	\$591,446 *	
22	8	B			33.00	8	Pooled Cost - Contracted Services To eliminate purchased services expenses due to insufficient documentation or not related to the audit period. 42 CFR 413.20, 413.24, 413.5 and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)	*	\$672,660	(\$60,170)	\$612,490	
23	8	B			21.00	8	Pooled Cost - Travel and Entertainment To eliminate travel expenses due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)		\$907,292	(\$545,014)	\$362,278	
24	8	B			35.05	7	Functional Cost - California Regional Costs To eliminate travel expenses due to lack of documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)	*	\$591,446	(\$120,305)	\$471,141	
25	8	B			20.00	8	Pooled Cost - Communications To include telephone cost eliminated at the facility level that should have been included in the home office. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	*	\$130,350	\$18,873	\$149,223	
*Balance carried forward from prior/to subsequent adjustments										Page	6	

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<b>ADJUSTMENTS TO REPORTED STATISTICS</b>												
26	6-1	Not Reported			14.00	16	Westgate Manor Convalescent Hospital (Cost Less Management Fees)	0	4,560,589	4,560,589		
	6-1	Not Reported			15.00	16	Franciscan Convalescent Hospital	0	4,432,678	4,432,678		
	6-1	Not Reported			16.00	16	Hy-Lond Convalescent Hospital - Merced	0	8,790,865	8,790,865		
	6-1	Not Reported			17.00	16	Hy-Lond Convalescent Hospital - Modesto	0	9,163,973	9,163,973		
	6-1	Not Reported			17.01	16	Modesto Convalescent Hospital	0	4,343,019	4,343,019		
	6-1	Not Reported			17.02	16	San Luis Convalescent Hospital	0	4,959,063	4,959,063		
	6-1	Not Reported			17.03	16	Mark Twain Convalescent Hospital	0	8,090,205	8,090,205		
	6-1	Not Reported			17.04	16	Chowchilla Convalescent Center	0	4,116,626	4,116,626		
	6-1	Not Reported			17.05	16	Avalon Care Center - Sonora	0	11,022,964	11,022,964		
	6-1	Not Reported			19.00	16	Bristol Hospice - California	0	2,620,378	2,620,378		
	6-1	Not Reported			22.00	16	Bristol Hospice - Sacramento	0	6,023,643	6,023,643		
	6-1	Not Reported			34.00	16	Total Statistic - Cost Less Management Fees	0	68,124,003	68,124,003		
							To establish cost less management fees statistics to allocate workers' compensation insurance premiums to chain components. 42 CFR 413.20 , 413.24, and 413.50 CMS Pub. 15-1, Sections 2300, 2304 and 2306					
27	6-1	Not Reported			1.00	28	Bennion Care Center (Cost Less Management Fees)	0	5,284,217	5,284,217		
	6-1	Not Reported			2.00	28	Heritage Care Center	0	5,343,123	5,343,123		
	6-1	Not Reported			3.00	28	Richfield Care Center	0	3,867,288	3,867,288		
	6-1	Not Reported			4.00	28	Willow Wood Care Center	0	4,017,039	4,017,039		
	6-1	Not Reported			5.00	28	Woodland Park Care Center	0	14,844,947	14,844,947		
	6-1	Not Reported			6.00	28	Avalon Care Center - Bountiful	0	5,926,690	5,926,690		
	6-1	Not Reported			7.00	28	Pioneer Care Center	0	3,126,911	3,126,911		
	6-1	Not Reported			7.01	28	North Canyon Care Center	0	4,989,535	4,989,535		
	6-1	Not Reported			8.00	28	Utah State Veterans Home	0	5,122,730	5,122,730		
	6-1	Not Reported			9.00	28	Willow Glen Health and Rehab	0	3,228,348	3,228,348		
	6-1	Not Reported			9.01	28	Ogden State Veterans Home	0	7,961,187	7,961,187		
	6-1	Not Reported			9.02	28	Heritage Hills Rehabilitation	0	2,630,054	2,630,054		
	6-1	Not Reported			9.03	28	Canyon Rim Care Center	0	4,770,493	4,770,493		
	6-1	Not Reported			10.00	28	Avalon Valley Health Care	0	9,810,363	9,810,363		

-Continued on next page-

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments			As Reportec	Increase (Decrease)	As Adjusted
<b>ADJUSTMENTS TO REPORTED STATISTICS</b>												
-Continued from previous page-												
27	6-1	Not Reported			11.00	28	Avalon Care Center Shadow Mountain (Cost Less Management Fees)			0	6,955,785	6,955,785
	6-1	Not Reported			12.00	28	Chandler Health Care Center			0	9,279,254	9,279,254
	6-1	Not Reported			13.00	28	Southwest Health and Rehab			0	14,432,165	14,432,165
	6-1	Not Reported			14.00	28	Westgate Manor Convalescent Hospital			0	4,560,589	4,560,589
	6-1	Not Reported			15.00	28	Franciscan Convalescent Hospital			0	4,432,678	4,432,678
	6-1	Not Reported			16.00	28	Hy-Lond Convalescent Hospital - Merced			0	8,790,865	8,790,865
	6-1	Not Reported			17.00	28	Hy-Lond Convalescent Hospital - Modesto			0	9,163,973	9,163,973
	6-1	Not Reported			17.01	28	Modesto Convalescent Hospital			0	4,343,019	4,343,019
	6-1	Not Reported			17.02	28	San Luis Convalescent Hospital			0	4,959,063	4,959,063
	6-1	Not Reported			17.03	28	Mark Twain Convalescent Hospital			0	8,090,205	8,090,205
	6-1	Not Reported			17.04	28	Chowchilla Convalescent Center			0	4,116,626	4,116,626
	6-1	Not Reported			17.05	28	Avalon Care Center - Sonora			0	11,022,964	11,022,964
	6-1	Not Reported			17.07	28	Avalon Care Center - Honolulu			0	11,420,649	11,420,649
	6-1	Not Reported			17.08	28	Hale Nani Rehab and Nursing Center			0	29,543,552	29,543,552
	6-1	Not Reported			17.09	28	Yukio Okutsu Veterans Home			0	11,754,188	11,754,188
	6-1	Not Reported			17.10	28	Avalon Health and Rehab Center			0	6,961,335	6,961,335
	6-1	Not Reported			17.11	28	Willapa Harbor Care Center			0	3,718,502	3,718,502
	6-1	Not Reported			17.12	28	Benson Heights Rehabilitation Center			0	6,255,723	6,255,723
	6-1	Not Reported			17.13	28	Gray's Harbor Health and Rehab Center			0	6,930,548	6,930,548
	6-1	Not Reported			17.14	28	Avalon Care Center - Othello			0	2,196,535	2,196,535
	6-1	Not Reported			17.15	28	Avalon Health and Rehabilitation Center			0	11,000,901	11,000,901
	6-1	Not Reported			17.16	28	Avalon Care Center at North Pointe			0	9,453,629	9,453,629
	6-1	Not Reported			17.17	28	Avalon Care Center - Pullman			0	2,901,066	2,901,066
	6-1	Not Reported			19.00	28	Bristol Hospice - California			0	2,620,378	2,620,378
	6-1	Not Reported			20.00	28	Bristol Hospice - Hawaii			0	5,693,250	5,693,250
	6-1	Not Reported			21.00	28	Bristol Hospice - Utah			0	4,174,160	4,174,160
	6-1	Not Reported			22.00	28	Bristol Hospice - Sacramento			0	6,023,643	6,023,643
	6-1	Not Reported			22.01	28	Bristol Hospice - Other			0	1,192,045	1,192,045
	6-1	Not Reported			23.00	28	Brighton Health Care Service			0	394,322	394,322
	6-1	Not Reported			24.00	28	Avalon Equipment Leasing			0	673,017	673,017
	6-1	Not Reported			25.00	28	Avalon Transportation			0	512,971	512,971
-Continued on next page-												

Provider Name							Fiscal Period			Provider NPI		Adjustments
AVALON HEALTH CARE MANAGEMENT, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		28
Report References												
Adj. No.	Audit Report	Cost Report					Explanation of Audit Adjustments	As Reportec	Increase (Decrease)	As Adjusted		
		Work Sheet	Part	Title	Line	Col.						
<b>ADJUSTMENTS TO REPORTED STATISTICS</b>												
-Continued from previous page-												
27	6-1	Not Reported			26.00	28	One World Staffing (Cost Less Management Fees)	0	61,873	61,873		
	6-1	Not Reported			27.00	28	Brighton Rehabilitation	0	69	69		
	6-1	Not Reported			27.01	28	Other Non-Operating	0	440,564	440,564		
	6-1	Not Reported			34.00	28	Total Statistic - Cost Less Management Fees	0	294,993,031	294,993,031		
To establish cost less management fees statistics to allocate general and professional liability insurance premium costs in conjunction with adjustment 13. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2150.3, 2162.5, 2300, 2304 and 2306												
28	6-1	Not Reported			14.00	35.10-35.13	Westgate Manor Convalescent Hospital (Cost Less Management Fees)	0	4,560,589	4,560,589		
	6-1	Not Reported			15.00	35.10-35.13	Franciscan Convalescent Hospital	0	4,432,678	4,432,678		
	6-1	Not Reported			16.00	35.10-35.13	Hy-Lond Convalescent Hospital - Merced	0	8,790,865	8,790,865		
	6-1	Not Reported			17.00	35.10-35.13	Hy-Lond Convalescent Hospital - Modesto	0	9,163,973	9,163,973		
	6-1	Not Reported			17.01	35.10-35.13	Modesto Convalescent Hospital	0	4,343,019	4,343,019		
	6-1	Not Reported			17.02	35.10-35.13	San Luis Convalescent Hospital	0	4,959,063	4,959,063		
	6-1	Not Reported			17.03	35.10-35.13	Mark Twain Convalescent Hospital	0	8,090,205	8,090,205		
	6-1	Not Reported			17.04	35.10-35.13	Chowchilla Convalescent Center	0	4,116,626	4,116,626		
	6-1	Not Reported			17.05	35.10-35.13	Avalon Care Center - Sonora	0	11,022,964	11,022,964		
	6-1	Not Reported			17.06	35.10-35.13	Healdsburg Senior Living	0	7,119,776	7,119,776		
	6-1	Not Reported			34.00	35.10	Total Statistic - Care Giver Training	0	66,599,758	66,599,758		
	6-1	Not Reported			34.00	35.11	Total Statistic - Nursing	0	66,599,758	66,599,758		
	6-1	Not Reported			34.00	35.12	Total Statistic - Dietary	0	66,599,758	66,599,758		
	6-1	Not Reported			34.00	35.13	Total Statistic - Plant Operations and Maintenance	0	66,599,758	66,599,758		
To establish cost less management fee statistics to allocate regional costs to chain components in conjunction with adjustments 1 and 2. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2150.3, 2300 and 2304 CCR, Title 22, Section 52000												