

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**PROGRESSIVE HEALTH CARE  
LOMA LINDA, CALIFORNIA**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

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



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 25, 2013

Florence Westphal, Controller  
Progressive Health Care  
25271 Barton Road  
Loma Linda, CA 92354

PROGRESSIVE HEALTH CARE  
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.

Florence Westphal  
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If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief  
Audits Section—Rancho Cucamonga  
Financial Audits Branch

Certified

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

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

	PROVIDER NPI	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				
1.	Heritage Gardens Healthcare Center	1942273933	01/01/11	12/31/11	\$0	\$479,831	\$479,831
2.	Parkview Healthcare Center	1912970906	01/01/11	12/31/11	0	120,850	120,850
3.	Stanley Healthcare Center	1164495156	01/01/11	12/31/11	0	102,585	102,585
4.	Valley Healthcare Center	1851364855	01/01/11	12/31/11	0	426,992	426,992
5.	Villa Elena Healthcare Center	1376516377	01/01/11	12/31/11	0	318,403	318,403
6.	Western Healthcare Center	1396718300	01/01/11	12/31/11	0	306,188	306,188
7.					0	0	0
8.					0	0	0
9.					0	0	0
10.					0	0	0
11.					0	0	0
12.					0	0	0
13.					0	0	0
14.					0	0	0
15.					0	0	0
16.					0	0	0
17.					0	0	0
18.					0	0	0
19.					0	0	0
20.					0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$0</b>	<b>\$1,754,849</b>	<b>\$1,754,849</b>

OTHER COMPONENTS

21.	Heritage Gardens Retirement		01/01/11	12/31/11	\$0	\$56,536	\$56,536
22.					0	0	0
23.					0	0	0
24.					0	0	0
25.					0	0	0
26.					0	0	0
27.					0	0	0
28.					0	0	0
29.					0	0	0
30.					0	0	0
31.					0	0	0
32.					0	0	0
33.					0	0	0
34.					0	0	0
35.					0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					<b>\$0</b>	<b>\$56,536</b>	<b>\$56,536</b>
<b>GRAND TOTAL</b>					<b>\$0</b>	<b>\$1,811,385</b>	<b>\$1,811,385</b>

COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

	PROVIDER NPI	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			
1.	Heritage Gardens Healthcare Center	1942273933	01/01/11 12/31/11	\$480,839	\$479,831	(\$1,008)
2.	Parkview Healthcare Center	1912970906	01/01/11 12/31/11	121,105	120,850	(255)
3.	Stanley Healthcare Center	1164495156	01/01/11 12/31/11	102,802	102,585	(217)
4.	Valley Healthcare Center	1851364855	01/01/11 12/31/11	427,897	426,992	(905)
5.	Villa Elena Healthcare Center	1376516377	01/01/11 12/31/11	319,076	318,403	(673)
6.	Western Healthcare Center	1396718300	01/01/11 12/31/11	306,838	306,188	(650)
7.				0	0	0
8.				0	0	0
9.				0	0	0
10.				0	0	0
11.				0	0	0
12.				0	0	0
13.				0	0	0
14.				0	0	0
15.				0	0	0
16.				0	0	0
17.				0	0	0
18.				0	0	0
19.				0	0	0
20.				0	0	0

SUBTOTAL (LINES 1 THROUGH 20)

\$1,758,557      \$1,754,849      (\$3,708)

OTHER COMPONENTS

21.	Heritage Gardens Retirement		01/01/11 12/31/11	\$56,656	\$56,536	(\$120)
22.				0	0	0
23.				0	0	0
24.				0	0	0
25.				0	0	0
26.				0	0	0
27.				0	0	0
28.				0	0	0
29.				0	0	0
30.				0	0	0
31.				0	0	0
32.				0	0	0
33.				0	0	0
34.				0	0	0
35.				0	0	0

SUBTOTAL (LINES 21 THROUGH 35)

\$56,656      \$56,536      (\$120)

GRAND TOTAL

\$1,815,213      \$1,811,385      (\$3,828)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	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					
<b><u>HEALTH CARE FACILITIES</u></b>								
1.	Heritage Gardens Healthcare Center	1942273933	01/01/11	12/31/11	\$0	\$0	\$0	\$0
2.	Parkview Healthcare Center	1912970906	01/01/11	12/31/11	0	0	0	0
3.	Stanley Healthcare Center	1164495156	01/01/11	12/31/11	0	0	0	0
4.	Valley Healthcare Center	1851364855	01/01/11	12/31/11	0	0	0	0
5.	Villa Elena Healthcare Center	1376516377	01/01/11	12/31/11	0	0	0	0
6.	Western Healthcare Center	1396718300	01/01/11	12/31/11	0	0	0	0
7.					0	0	0	0
8.					0	0	0	0
9.					0	0	0	0
10.					0	0	0	0
11.					0	0	0	0
12.					0	0	0	0
13.					0	0	0	0
14.					0	0	0	0
15.					0	0	0	0
16.					0	0	0	0
17.					0	0	0	0
18.					0	0	0	0
19.					0	0	0	0
20.					0	0	0	0

<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					\$0	\$0	\$0	\$0
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**OTHER COMPONENTS**

21.	Heritage Gardens Retirement		01/01/11	12/31/11	\$0	\$0	\$0	\$0
22.					0	0	0	0
23.					0	0	0	0
24.					0	0	0	0
25.					0	0	0	0
26.					0	0	0	0
27.					0	0	0	0
28.					0	0	0	0
29.					0	0	0	0
30.					0	0	0	0
31.					0	0	0	0
32.					0	0	0	0
33.					0	0	0	0
34.					0	0	0	0
35.					0	0	0	0

<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					\$0	\$0	\$0	\$0
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<b>GRAND TOTAL</b>					\$0	\$0	\$0	\$0
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(To Schedule 1 & 2)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	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					
<b>HEALTH CARE FACILITIES</b>								
1.	Heritage Gardens Healthcare Center	1942273933	01/01/11	12/31/11	\$20,367	\$0	\$459,464	\$479,831
2.	Parkview Healthcare Center	1912970906	01/01/11	12/31/11	4,576	0	116,274	120,850
3.	Stanley Healthcare Center	1164495156	01/01/11	12/31/11	3,663	0	98,922	102,585
4.	Valley Healthcare Center	1851364855	01/01/11	12/31/11	14,374	0	412,618	426,992
5.	Villa Elena Healthcare Center	1376516377	01/01/11	12/31/11	11,960	0	306,443	318,403
6.	Western Healthcare Center	1396718300	01/01/11	12/31/11	10,269	0	295,919	306,188
7.					0	0	0	0
8.					0	0	0	0
9.					0	0	0	0
10.					0	0	0	0
11.					0	0	0	0
12.					0	0	0	0
13.					0	0	0	0
14.					0	0	0	0
15.					0	0	0	0
16.					0	0	0	0
17.					0	0	0	0
18.					0	0	0	0
19.					0	0	0	0
20.					0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$65,209</b>	<b>\$0</b>	<b>\$1,689,640</b>	<b>\$1,754,849</b>
<b>OTHER COMPONENTS</b>								
21.	Heritage Gardens Retirement		01/01/11	12/31/11	\$1,896	\$0	\$54,640	\$56,536
22.					0	0	0	0
23.					0	0	0	0
24.					0	0	0	0
25.					0	0	0	0
26.					0	0	0	0
27.					0	0	0	0
28.					0	0	0	0
29.					0	0	0	0
30.					0	0	0	0
31.					0	0	0	0
32.					0	0	0	0
33.					0	0	0	0
34.					0	0	0	0
35.					0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					<b>\$1,896</b>	<b>\$0</b>	<b>\$54,640</b>	<b>\$56,536</b>
<b>GRAND TOTAL</b>					<b>\$67,105</b>	<b>\$0</b>	<b>\$1,744,280</b>	<b>\$1,811,385</b>

(To Schedule 1 & 2)



FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Old Cap. Related- Buildings & 1.00	1.01	Old Cap. Related- Movable 2.00	2.01	New Cap. Related- Buildings & 4.00	Int. Exp. - New Cap. Bldg & Fix 4.01
<b>HEALTH CARE FACILITIES</b>							
1.	Heritage Gardens Healthcare Center	1942273933	\$0	\$0	\$0	\$0	\$0
2.	Parkview Healthcare Center	1912970906	0	0	0	0	0
3.	Stanley Healthcare Center	1164495156	0	0	0	0	0
4.	Valley Healthcare Center	1851364855	0	0	0	0	0
5.	Villa Elena Healthcare Center	1376516377	0	0	0	0	0
6.	Western Healthcare Center	1396718300	0	0	0	0	0
7.			0	0	0	0	0
8.			0	0	0	0	0
9.			0	0	0	0	0
10.			0	0	0	0	0
11.			0	0	0	0	0
12.			0	0	0	0	0
13.			0	0	0	0	0
14.			0	0	0	0	0
15.			0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
	<b>SUBTOTAL (LINES 1 THROUGH 20)</b>	0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>							
21.	Heritage Gardens Retirement	0	\$0	\$0	\$0	\$0	\$0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
	<b>SUBTOTAL (LINES 21 THROUGH 35)</b>	0	\$0	\$0	\$0	\$0	\$0
	<b>GRAND TOTAL</b>	0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	New Cap. Related- Movable 5.00	Int. Exp. - New Cap. Movable 5.01	Insurance Premiums 7.00	Taxes and Licenses - Not INCM 8.00	Other 9.00	AUDITED TOTAL CAPITAL
<b>HEALTH CARE FACILITIES</b>							
1.	Heritage Gardens Healthcare Center 1942273933	\$0	\$0	\$0	\$0	\$0	\$0
2.	Parkview Healthcare Center 1912970906	0	0	0	0	0	0
3.	Stanley Healthcare Center 1164495156	0	0	0	0	0	0
4.	Valley Healthcare Center 1851364855	0	0	0	0	0	0
5.	Villa Elena Healthcare Center 1376516377	0	0	0	0	0	0
6.	Western Healthcare Center 1396718300	0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>OTHER COMPONENTS</b>							
21.	Heritage Gardens Retirement	\$0	\$0	\$0	\$0	\$0	\$0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

(To Schedule 3)

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Salaries of Officers 11	Salaries & Wages of Others 12	Payroll Taxes 13	Employee Benefits-Payroll Related 14	Employee Benefits- Nonpayroll 15	Profit Sharing/Pensio n Plans 16	Travel/Entertain ment 17
<b>HEALTH CARE FACILITIES</b>								
1.	Heritage Gardens Healthcare Center	1942273933	\$0	\$0	\$0	\$0	\$0	\$0
2.	Parkview Healthcare Center	1912970906	0	0	0	0	0	0
3.	Stanley Healthcare Center	1164495156	0	0	0	0	0	0
4.	Valley Healthcare Center	1851364855	0	0	0	0	0	0
5.	Villa Elena Healthcare Center	1376516377	0	0	0	0	0	0
6.	Western Healthcare Center	1396718300	0	0	0	0	0	0
7.			0	0	0	0	0	0
8.			0	0	0	0	0	0
9.			0	0	0	0	0	0
10.			0	0	0	0	0	0
11.			0	0	0	0	0	0
12.			0	0	0	0	0	0
13.			0	0	0	0	0	0
14.			0	0	0	0	0	0
15.			0	0	0	0	0	0
16.			0	0	0	0	0	0
17.			0	0	0	0	0	0
18.			0	0	0	0	0	0
19.			0	0	0	0	0	0
20.			0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.	Heritage Gardens Retirement		0	0	0	0	0	0
22.			0	0	0	0	0	0
23.			0	0	0	0	0	0
24.			0	0	0	0	0	0
25.			0	0	0	0	0	0
26.			0	0	0	0	0	0
27.			0	0	0	0	0	0
28.			0	0	0	0	0	0
29.			0	0	0	0	0	0
30.			0	0	0	0	0	0
31.			0	0	0	0	0	0
32.			0	0	0	0	0	0
33.			0	0	0	0	0	0
34.			0	0	0	0	0	0
35.			0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL<sup>L</sup></b>			\$0	\$0	\$0	\$0	\$0	\$0







FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN  
D

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

COMPONENTS - NONCAPITAL RELATE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	35.04	Processing 35.05	35.06	35.07	35.08	AUDITED TOTAL NONCAPITAL
<b>HEALTH CARE FACILITIES</b>							
1.	Heritage Gardens Healthcare Center 1942273933	\$0	\$0	\$0	\$0	\$0	\$0
2.	Parkview Healthcare Center 1912970906	Data 0	0	0	0	0	0
3.	Stanley Healthcare Center 1164495156	0	0	0	0	0	0
4.	Valley Healthcare Center 1851364855	0	0	0	0	0	0
5.	Villa Elena Healthcare Center 1376516377	0	0	0	0	0	0
6.	Western Healthcare Center 1396718300	0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>		\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>							
21.	Heritage Gardens Retirement	\$0	\$0	\$0	\$0	\$0	\$0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>		\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL<sup>L</sup></b>		\$0	\$0	\$0	\$0	\$0	\$0

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

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

	PROVIDER NPI	Old Cap. Related- (Statistics) 1.00	(Statistics) 1.01	Old Cap. Related- (Statistics) 2.00	(Statistics) 2.01	New Cap. Related- (Statistics) 4.00	Int. Exp. - New Cap. Bldg & Fix (Statistics) 4.01
1.	Heritage Gardens Healthcare Center	1942273933	0	0	0	0	0
2.	Parkview Healthcare Center	1912970906	0	0	0	0	0
3.	Stanley Healthcare Center	1164495156	0	0	0	0	0
4.	Valley Healthcare Center	1851364855	0	0	0	0	0
5.	Villa Elena Healthcare Center	1376516377	0	0	0	0	0
6.	Western Healthcare Center	1396718300	0	0	0	0	0
7.			0	0	0	0	0
8.			0	0	0	0	0
9.			0	0	0	0	0
10.			0	0	0	0	0
11.			0	0	0	0	0
12.			0	0	0	0	0
13.			0	0	0	0	0
14.			0	0	0	0	0
15.			0	0	0	0	0
16.	0		0	0	0	0	0
17.	0		0	0	0	0	0
18.	0		0	0	0	0	0
19.	0		0	0	0	0	0
20.	0		0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>		0	0	0	0	0	0
<b><u>OTHER COMPONENTS</u></b>		0					
21.	Heritage Gardens Retirement	0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.	0		0	0	0	0	0
32.	0		0	0	0	0	0
33.	0		0	0	0	0	0
34.	0		0	0	0	0	0
35.	0		0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>		0	0	0	0	0	0
<b>GRAND TOTAL <sup>L</sup></b>		0	0	0	0	0	0
TOTAL STATISTICS		0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)		0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER		0	0.000000	0.000000	0.000000	0.000000	0.000000
		0					

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

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

	PROVIDER NPI	New Cap. Related- (Statistics) 5.00	Int. Exp. - New Cap. Movable (Statistics) 5.01	Insurance Premiums (Statistics) 7.00	Taxes and Licenses - Not (Statistics) 8.00	Other (Statistics) 9.00
1.	Heritage Gardens Healthcare Center	1942273933	0	0	0	0
2.	Parkview Healthcare Center	1912970906	0	0	0	0
3.	Stanley Healthcare Center	1164495156	0	0	0	0
4.	Valley Healthcare Center	1851364855	0	0	0	0
5.	Villa Elena Healthcare Center	1376516377	0	0	0	0
6.	Western Healthcare Center	1396718300	0	0	0	0
7.			0	0	0	0
8.			0	0	0	0
9.			0	0	0	0
10.			0	0	0	0
11.			0	0	0	0
12.			0	0	0	0
13.			0	0	0	0
14.			0	0	0	0
15.			0	0	0	0
16.			0	0	0	0
17.			0	0	0	0
18.			0	0	0	0
19.			0	0	0	0
20.			0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0

OTHER COMPONENTS

21.	Heritage Gardens Retirement		0	0	0	0
22.			0	0	0	0
23.			0	0	0	0
24.			0	0	0	0
25.			0	0	0	0
26.			0	0	0	0
27.			0	0	0	0
28.			0	0	0	0
29.			0	0	0	0
30.			0	0	0	0
31.			0	0	0	0
32.			0	0	0	0
33.			0	0	0	0
34.			0	0	0	0
35.			0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			0	0	0	0
<b>GRAND TOTAL <sup>L</sup></b>			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



FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

PROVIDER NPI	Travel/Entertainment (Statistics) 17.00	Automobile (Statistics) 18.00	Depreciation/Amortization (Statistics) 19.00	Building Rental (Statistics) 20.00	Equipment Rental (Statistics) 21.00	Utilities (Statistics) 22.00
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1. Heritage Gardens Healthcare Center	1942273933	0	0	0	0	0	0
2. Parkview Healthcare Center	1912970906	0	0	0	0	0	0
3. Stanley Healthcare Center	1164495156	0	0	0	0	0	0
4. Valley Healthcare Center	1851364855	0	0	0	0	0	0
5. Villa Elena Healthcare Center	1376516377	0	0	0	0	0	0
6. Western Healthcare Center	1396718300	0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 20)**

0	0	0	0	0	0	0
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OTHER COMPONENTS

21. Heritage Gardens Retirement		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0

**SUBTOTAL (LINES 21 THROUGH 35)**

0	0	0	0	0	0	0
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**GRAND TOTAL**

0	0	0	0	0	0	0
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TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

PROVIDER NPI	Legal and Accounting (Statistics) 23.00	Telephone/Tele graph (Statistics) 24.00	Insurance (Statistics) 25.00	Taxes and Licenses (Statistics) 26.00	Corporate Maintenance (Statistics) 27.00	Contributions (Statistics) 28.00
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1. Heritage Gardens Healthcare Center	1942273933	0	0	0	0	0	0
2. Parkview Healthcare Center	1912970906	0	0	0	0	0	0
3. Stanley Healthcare Center	1164495156	0	0	0	0	0	0
4. Valley Healthcare Center	1851364855	0	0	0	0	0	0
5. Villa Elena Healthcare Center	1376516377	0	0	0	0	0	0
6. Western Healthcare Center	1396718300	0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 20)**

0	0	0	0	0	0	0
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OTHER COMPONENTS

21. Heritage Gardens Retirement		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0

**SUBTOTAL (LINES 21 THROUGH 35)**

0	0	0	0	0	0	0
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**GRAND TOTAL**

0	0	0	0	0	0	0
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TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

PROVIDER NPI	Interest Expense (Statistics) 29.00	Outside Services (Statistics) 30.00	Other (Statistics) 31.00	Computer Support (Statistics) 32.00	Minor Equipment (Statistics) 33.00	Directors Fees (Statistics) 34.00
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1. Heritage Gardens Healthcare Center	1942273933	0	0	0	0	0	0
2. Parkview Healthcare Center	1912970906	0	0	0	0	0	0
3. Stanley Healthcare Center	1164495156	0	0	0	0	0	0
4. Valley Healthcare Center	1851364855	0	0	0	0	0	0
5. Villa Elena Healthcare Center	1376516377	0	0	0	0	0	0
6. Western Healthcare Center	1396718300	0	0	0	0	0	0
7.		0	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.		0	0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 20)**

0	0	0	0	0	0	0
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OTHER COMPONENTS

21. Heritage Gardens Retirement		0	0	0	0	0	0
22.		0	0	0	0	0	0
23.		0	0	0	0	0	0
24.		0	0	0	0	0	0
25.		0	0	0	0	0	0
26.		0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0

**SUBTOTAL (LINES 21 THROUGH 35)**

0	0	0	0	0	0	0
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**GRAND TOTAL**

0	0	0	0	0	0	0
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TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

PROVIDER NPI	Bad Debts (Statistics) 35.00	Gain/Loss on Sale of Facility (Statistics) 35.01	Fines & Penalties (Statistics) 35.02	(Statistics) 35.03	(Statistics) 35.04	Data Processing (Statistics) 35.05
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1. Heritage Gardens Healthcare Center	1942273933	0	0	0	0	0
2. Parkview Healthcare Center	1912970906	0	0	0	0	0
3. Stanley Healthcare Center	1164495156	0	0	0	0	0
4. Valley Healthcare Center	1851364855	0	0	0	0	0
5. Villa Elena Healthcare Center	1376516377	0	0	0	0	0
6. Western Healthcare Center	1396718300	0	0	0	0	0
7.		0	0	0	0	0
8.		0	0	0	0	0
9.		0	0	0	0	0
10.		0	0	0	0	0
11.		0	0	0	0	0
12.		0	0	0	0	0
13.		0	0	0	0	0
14.		0	0	0	0	0
15.		0	0	0	0	0
16.		0	0	0	0	0
17.		0	0	0	0	0
18.		0	0	0	0	0
19.		0	0	0	0	0
20.		0	0	0	0	0

**SUBTOTAL (LINES 1 THROUGH 20)**

0	0	0	0	0	0	0
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OTHER COMPONENTS

21. Heritage Gardens Retirement		0	0	0	0	0
22.		0	0	0	0	0
23.		0	0	0	0	0
24.		0	0	0	0	0
25.		0	0	0	0	0
26.		0	0	0	0	0
27.		0	0	0	0	0
28.		0	0	0	0	0
29.		0	0	0	0	0
30.		0	0	0	0	0
31.		0	0	0	0	0
32.		0	0	0	0	0
33.		0	0	0	0	0
34.		0	0	0	0	0
35.		0	0	0	0	0

**SUBTOTAL (LINES 21 THROUGH 35)**

0	0	0	0	0	0	0
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**GRAND TOTAL**

0	0	0	0	0	0	0
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TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

PROVIDER NPI	(Statistics) 35.06	(Statistics) 35.07	(Statistics) 35.08
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1. Heritage Gardens Healthcare Center	1942273933	0	0	0
2. Parkview Healthcare Center	1912970906	0	0	0
3. Stanley Healthcare Center	1164495156	0	0	0
4. Valley Healthcare Center	1851364855	0	0	0
5. Villa Elena Healthcare Center	1376516377	0	0	0
6. Western Healthcare Center	1396718300	0	0	0
7.		0	0	0
8.		0	0	0
9.		0	0	0
10.		0	0	0
11.		0	0	0
12.		0	0	0
13.		0	0	0
14.		0	0	0
15.		0	0	0
16.		0	0	0
17.		0	0	0
18.		0	0	0
19.		0	0	0
20.		0	0	0

**SUBTOTAL (LINES 1 THROUGH 20)**

0	0	0
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OTHER COMPONENTS

21. Heritage Gardens Retirement		0	0	0
22.		0	0	0
23.		0	0	0
24.		0	0	0
25.		0	0	0
26.		0	0	0
27.		0	0	0
28.		0	0	0
29.		0	0	0
30.		0	0	0
31.		0	0	0
32.		0	0	0
33.		0	0	0
34.		0	0	0
35.		0	0	0

**SUBTOTAL (LINES 21 THROUGH 35)**

0	0	0
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**GRAND TOTAL**

0	0	0
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TOTAL STATISTICS  
COST TO BE ALLOCATED (FROM SCHEDULE 8)  
UNIT COST MULTIPLIER

0	0	0
\$0	\$0	\$0
0.000000	0.000000	0.000000

DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES

	PROVIDER NPI	REPORTED TOTAL (SCH. 4)						AUDITED TOTAL
1.	Heritage Gardens Healthcare Center	1942273933	\$0	\$0	\$0	\$0	\$0	\$0
2.	Parkview Healthcare Center	1912970906	0	0	0	0	0	0
3.	Stanley Healthcare Center	1164495156	0	0	0	0	0	0
4.	Valley Healthcare Center	1851364855	0	0	0	0	0	0
5.	Villa Elena Healthcare Center	1376516377	0	0	0	0	0	0
6.	Western Healthcare Center	1396718300	0	0	0	0	0	0
7.			0	0	0	0	0	0
8.			0	0	0	0	0	0
9.			0	0	0	0	0	0
10.			0	0	0	0	0	0
11.			0	0	0	0	0	0
12.			0	0	0	0	0	0
13.			0	0	0	0	0	0
14.			0	0	0	0	0	0
15.			0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.			0	0	0	0	0	0
18.			0	0	0	0	0	0
19.			0	0	0	0	0	0
20.			0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

OTHER COMPONENTS

21.	Heritage Gardens Retirement		\$0	\$0	\$0	\$0	\$0	\$0
22.			0	0	0	0	0	0
23.			0	0	0	0	0	0
24.			0	0	0	0	0	0
25.			0	0	0	0	0	0
26.			0	0	0	0	0	0
27.			0	0	0	0	0	0
28.			0	0	0	0	0	0
29.			0	0	0	0	0	0
30.			0	0	0	0	0	0
31.			0	0	0	0	0	0
32.			0	0	0	0	0	0
33.			0	0	0	0	0	0
34.			0	0	0	0	0	0
35.			0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

(To Schedule 3)



DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

<u>HEALTH CARE FACILITIES</u>		PROVIDER NPI							AUDITED TOTAL
1.	Heritage Gardens Healthcare Center	1942273933	\$0	\$0	\$0	\$0	\$0	\$0	\$20,367
2.	Parkview Healthcare Center	1912970906	0	0	0	0	0	0	4,576
3.	Stanley Healthcare Center	1164495156	0	0	0	0	0	0	3,663
4.	Valley Healthcare Center	1851364855	0	0	0	0	0	0	14,374
5.	Villa Elena Healthcare Center	1376516377	0	0	0	0	0	0	11,960
6.	Western Healthcare Center	1396718300	0	0	0	0	0	0	10,269
7.			0	0	0	0	0	0	0
8.			0	0	0	0	0	0	0
9.			0	0	0	0	0	0	0
10.			0	0	0	0	0	0	0
11.			0	0	0	0	0	0	0
12.			0	0	0	0	0	0	0
13.			0	0	0	0	0	0	0
14.			0	0	0	0	0	0	0
15.			0	0	0	0	0	0	0
16.			0	0	0	0	0	0	0
17.			0	0	0	0	0	0	0
18.			0	0	0	0	0	0	0
19.			0	0	0	0	0	0	0
20.			0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,209</b>
<u>OTHER COMPONENTS</u>									
21.	Heritage Gardens Retirement		0	0	0	0	0	0	1,896
22.			0	0	0	0	0	0	0
23.			0	0	0	0	0	0	0
24.			0	0	0	0	0	0	0
25.			0	0	0	0	0	0	0
26.			0	0	0	0	0	0	0
27.			0	0	0	0	0	0	0
28.			0	0	0	0	0	0	0
29.			0	0	0	0	0	0	0
30.			0	0	0	0	0	0	0
31.			0	0	0	0	0	0	0
32.			0	0	0	0	0	0	0
33.			0	0	0	0	0	0	0
34.			0	0	0	0	0	0	0
35.			0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,896</b>
<b>GRAND TOTAL</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$67,105</b>

(To Schedule 3-1)

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CAREFISCAL PERIOD ENDED:  
DECEMBER 31, 2011

LINE NO.	COST CENTER DESCRIPTION	REPORTED POOLED ALLOC. (SCH. 2, COL 6)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED POOLED COSTS
<b>CAPITAL-RELATED COSTS - OLD</b>					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
4.01	Int. Exp. - New Cap. Bldg & Fix	0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01	Int. Exp. - New Cap. Movable	0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<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 - Not INCM	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>					
11.00	Salaries of Officers	\$276,820		\$0	\$276,820
12.00	Salaries & Wages of Others	785,980		0	785,980
13.00	Payroll Taxes	89,429		0	89,429
14.00	Employee Benefits-Payroll Related	260,964		0	260,964
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Travel/Entertainment	15,606	2-4.6	(1,697)	13,909
18.00	Automobile	28,444	2,4,7	417	28,861
19.00	Depreciation/Amortization	0		0	0
20.00	Building Rental	0		0	0
21.00	Equipment Rental	9,620		0	9,620
22.00	Utilities	0		0	0
23.00	Legal and Accounting	18,314	5,8	(2,933)	15,381
24.00	Telephone/Telegraph	37,168	3	360	37,528
25.00	Insurance	4,070		0	4,070
26.00	Taxes and Licenses	7,486		0	7,486
27.00	Corporate Maintenance Costs	55,632	9,10	(747)	54,885
28.00	Contributions	0		0	0
29.00	Interest Expense	95		0	95
30.00	Outside Services	66,835	4	(76)	66,759
31.00	Other	0		0	0
32.00	Computer Support	53,265		0	53,265
33.00	Minor Equipment	8,380		0	8,380
34.00	Directors Fees	30,000		0	30,000
35.00	Bad Debts	0		0	0
35.01	Gain/Loss on Sale of Facility Property	0		0	0
35.02	Fines & Penalties	0		0	0
35.03		0		0	0
35.04		0		0	0
35.05	Data Processing	0	5	848	848
35.06		0		0	0
35.07		0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$1,748,108</u>		<u>(\$3,828)</u>	<u>\$1,744,280</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$1,748,108</u>		<u>(\$3,828)</u>	<u>\$1,744,280</u>
					(To Sch. 4)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
	<b>TOTAL EXPENSES</b>	<u>\$1,748,108</u>		<u>(\$3,828)</u>	<u>\$1,744,280</u>

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CAREFISCAL PERIOD ENDED:  
DECEMBER 31, 2011

LINE NO.	COST CENTER DESCRIPTION	REPORTED DIRECT ALLOC. (SCH. 2, COL 4)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED DIRECT COSTS
<b>CAPITAL-RELATED COSTS - OLD</b>					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
4.01	Int. Exp. - New Cap. Bldg & Fix	0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01	Int. Exp. - New Cap. Movable	0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<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 - Not INCM	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>					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries & Wages of Others	60,531		0	60,531
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll Related	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Travel/Entertainment	0		0	0
18.00	Automobile	3,524		0	3,524
19.00	Depreciation/Amortization	0		0	0
20.00	Building Rental	0		0	0
21.00	Equipment Rental	0		0	0
22.00	Utilities	0		0	0
23.00	Legal and Accounting	0		0	0
24.00	Telephone/Telegraph	0		0	0
25.00	Insurance	0		0	0
26.00	Taxes and Licenses	0		0	0
27.00	Corporate Maintenance Costs	3,050		0	3,050
28.00	Contributions	0		0	0
29.00	Interest Expense	0		0	0
30.00	Outside Services	0		0	0
31.00	Other	0		0	0
32.00	Computer Support	0		0	0
33.00	Minor Equipment	0		0	0
34.00	Directors Fees	0		0	0
35.00	Bad Debts	0		0	0
35.01	Gain/Loss on Sale of Facility Property	0		0	0
35.02	Fines & Penalties	0		0	0
35.03		0		0	0
35.04		0		0	0
35.05	Data Processing	0		0	0
35.06		0		0	0
35.07		0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$67,105</u>		<u>\$0</u>	<u>\$67,105</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$67,105</u>		<u>\$0</u>	<u>\$67,105</u>
(To Sch. 7, 7-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENSES</b>		<u>\$67,105</u>		<u>\$0</u>	<u>\$67,105</u>

## TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CAREFISCAL PERIOD ENDED:  
DECEMBER 31, 2011

LINE NO.	COST CENTER DESCRIPTION	REPORTED FUNCTIONAL COSTS	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED FUNCTIONAL COSTS
<b>CAPITAL-RELATED COSTS - OLD</b>					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>CAPITAL-RELATED COSTS - NEW</b>					
4.00	New Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
4.01	Int. Exp. - New Cap. Bldg & Fix	0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01	Int. Exp. - New Cap. Movable	0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<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 - Not INCM	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>					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries & Wages of Others	0		0	0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll Related	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Travel/Entertainment	0		0	0
18.00	Automobile	0		0	0
19.00	Depreciation/Amortization	0		0	0
20.00	Building Rental	0		0	0
21.00	Equipment Rental	0		0	0
22.00	Utilities	0		0	0
23.00	Legal and Accounting	0		0	0
24.00	Telephone/Telegraph	0		0	0
25.00	Insurance	0		0	0
26.00	Taxes and Licenses	0		0	0
27.00	Corporate Maintenance Costs	0		0	0
28.00	Contributions	0		0	0
29.00	Interest Expense	0		0	0
30.00	Outside Services	0		0	0
31.00	Other	0		0	0
32.00	Computer Support	0		0	0
33.00	Minor Equipment	0		0	0
34.00	Directors Fees	0		0	0
35.00	Bad Debts	0		0	0
35.01	Gain/Loss on Sale of Facility Property	0		0	0
35.02	Fines & Penalties	0		0	0
35.03		0		0	0
35.04		0		0	0
35.05	Data Processing	0		0	0
35.06		0		0	0
35.07		0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
(To Sch. 6, 6-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENSES</b>		<u>\$0</u>		<u>\$0</u>	<u>\$0</u>

REPORTED HOME OFFICE COSTS

HOME OFFICE NAME:  
PROGRESSIVE HEALTH CARE

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	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. 4)	NON-CAPITAL RELATED COSTS (SCH. 4)	CAPITAL RELATED COSTS	NON-CAPITAL RELATED COSTS	CAPITAL RELATED COSTS (SCH. 5)	NON-CAPITAL RELATED COSTS (SCH. 5)			
<b>HEALTH CARE FACILITIES</b>												
1.	Heritage Gardens Healthcare Center	1942273933	01/01/11	12/31/11		\$20,367			\$460,472	\$480,839		
2.	Parkview Healthcare Center	1912970906	01/01/11	12/31/11		4,576			116,529	121,105		
3.	Stanley Healthcare Center	1164495156	01/01/11	12/31/11		3,663			99,139	102,802		
4.	Valley Healthcare Center	1851364855	01/01/11	12/31/11		14,374			413,523	427,897		
5.	Villa Elena Healthcare Center	1376516377	01/01/11	12/31/11		11,960			307,116	319,076		
6.	Western Healthcare Center	1396718300	01/01/11	12/31/11		10,269			296,569	306,838		
7.										0		
8.										0		
9.										0		
10.										0		
11.										0		
12.										0		
13.										0		
14.										0		
15.										0		
16.										0		
17.										0		
18.										0		
19.										0		
20.										0		
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>						\$0	\$65,209	\$0	\$0	\$0	\$1,693,348	\$1,758,557
<b>OTHER COMPONENTS</b>												
21.	Heritage Gardens Retirement		01/01/11	12/31/11		\$1,896			\$54,760	\$56,656		
22.										0		
23.										0		
24.										0		
25.										0		
26.										0		
27.										0		
28.										0		
29.										0		
30.										0		
31.										0		
32.										0		
33.										0		
34.										0		
35.										0		
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>						\$0	\$1,896	\$0	\$0	\$0	\$54,760	\$56,656
<b>GRAND TOTAL</b>						\$0	\$67,105	\$0	\$0	\$0	\$1,748,108	\$1,815,213

(To Sch. 2, Col. 1)

Provider Name				Fiscal Period				Provider NPI		Adjustments
PROGRESSIVE HEALTH CARE				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				HOME OFFICE		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3095 Page or Exhibit	Line	Col.	Sch.	Line	Col				
1							<p style="text-align: center;"><u>MEMORANDUM ADJUSTMENT</u></p> <p>Provider completed DHS 3095 rather than CMS 287-05; therefore, cost center numbers do not match as filed cost report.</p>			

Provider Name							Fiscal Period	Provider NPI		Adjustments
PROGRESSIVE HEALTH CARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	HOME OFFICE		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3095 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
2	2	6	6	8	17	Travel and Entertainment	\$15,606	(\$2,684)	\$12,922 *	
	2	7	6	8	18	Automobile	28,444	2,684	31,128 *	
To reclassify gasoline expenses to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304										
3	2	6	6	8	17	Travel and Entertainment	* \$12,922	(\$360)	\$12,562 *	
	2	13	6	8	24	Telephone and Telegraph	37,168	360	37,528	
To reclassify phone expenses to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304										
4	2	6	6	8	17	Travel and Entertainment	* \$12,562	\$1,534	\$14,096 *	
	2	7	6	8	18	Automobile	* 31,128	(1,458)	29,670 *	
	2	19	6	8	30	Outside Services	66,835	(76)	66,759	
To reclassify travel expenses to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304										
5	2	12	6	8	23	Legal and Accounting	\$18,314	(\$848)	\$17,466 *	
	Not Reportec			8	35.05	Data Processing	0	848	848	
To reclassify ADP expenses to the appropriate cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, 2302.8, and 2304										

Provider Name							Fiscal Period	Provider NPI		Adjustments
PROGRESSIVE HEALTH CARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	HOME OFFICE		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	DHS 3095 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
6	2	6	6	8	17	Travel and Entertainment To eliminate travel expenses due to insufficient documentation and lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	*	\$14,096	(\$187)	\$13,909
7	2	7	6	8	18	Automobile To eliminate the personal use of vehicles not related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2105, and 2105.9	*	\$29,670	(\$809)	\$28,861
8	2	12	6	8	23	Legal and Accounting To eliminate accounting expenses due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)	*	\$17,466	(\$2,085)	\$15,381
	2	16	6	8	27	Corporate Maintenance Costs		\$55,632		
9						To eliminate seminar and CAHF dues expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(\$247)	
10						To eliminate CAHF golfing expenses not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3 and 2105			(500) (\$747)	\$54,885