

**REPORT  
ON THE  
HOME OFFICE AUDIT**

**MARINER HEALTH CARE, INC.  
ATLANTA, GEORGIA**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Robert G. Kvick  
Audit Supervisor: Kelly Ostrom  
Auditor: Janice L. Varrone**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 4, 2013

Brian Karpodinis  
Director Consolidation Accounting  
Fundamental Administrative Services, LLC  
920 Ridgebrook Road  
Sparks, MD 21152

MARINER HEALTH CARE, 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.

Brian Karpodinis  
Page 2

If you have questions regarding this report, you may call the Audits Section—  
Sacramento at (916) 650-6994.

**Original Signed By**

Robert G. Kwick, Chief  
Audits Section—Sacramento  
Financial Audits Branch

Certified

## **TABLE OF CONTENTS**

### **SCHEDULES**

- 1** - SUMMARY OF AUDITED HOME OFFICE CAPITAL AND NONCAPITAL RELATED COSTS TO CHAIN COMPONENTS
  
- 2** - COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS
  
- 3** - SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED
  
- 3-1** - SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED
  
- 4** - POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS
  
- 5** - FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - CAPITAL RELATED
  
- 5-1** - FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED
  
- 6** - FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED
  
- 6-1** - FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED
  
- 7** - DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS
  
- 7-1** - DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS
  
- 8** - TRIAL BALANCE OF EXPENSES
  
- 9** - REPORTED HOME OFFICE COSTS

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

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

	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				
<b><u>HEALTH CARE FACILITIES</u></b>							
1.	Monterey Palms Health Care Center	1982676524	01/01/11	12/31/11	\$9,929	\$270,250	\$280,179
2.	Autumn Hills Health Care Center	1659343192	01/01/11	12/31/11	9,872	268,956	278,828
3.	Fremont Health Care Center	1366414906	01/01/11	12/31/11	12,461	338,544	351,004
4.	Driftwood Health Care - Hayward	1487627725	01/01/11	12/31/11	9,310	266,802	276,113
5.	Almaden Health and Rehab Center	1548232184	01/01/11	12/31/11	8,853	256,824	265,678
6.	Driftwood Healthcare Santa Cruz	1548232150	01/01/11	12/31/11	8,955	269,802	278,758
7.	Florin Healthcare Center	1538131032	01/01/11	12/31/11	11,599	321,273	332,871
8.	Hayward Hills Healthcare Center	1801868302	01/01/11	12/31/11	8,344	228,203	236,547
9.	Inglewood Healthcare Center	1013989656	01/01/11	12/31/11	8,103	220,658	228,761
10.	Parkview Healthcare Center	1609840115	01/01/11	12/31/11	11,045	301,092	312,137
11.	Santa Monica Health Care Center	1720051295	01/01/11	12/31/11	6,711	188,213	194,923
12.	Skyline Healthcare - San Jose	1902879471	01/01/11	12/31/11	22,491	621,734	644,225
13.	Verdugo Vista Healthcare Center	1851364194	01/01/11	12/31/11	8,527	232,937	241,464
14.	Vale Healthcare Center	1932172491	01/01/11	12/31/11	20,024	555,904	575,928
15.	Palm Springs Health & Rehab	1699747659	01/01/11	12/31/11	8,222	223,378	231,599
16.	Creekside Health Care Center	1811969355	01/01/11	12/31/11	9,764	265,280	275,044
17.	Pine Ridge Care Center	1376515817	01/01/11	12/31/11	9,405	256,030	265,436
18.	Rehab Center of Santa Monica	1083687560	01/01/11	12/31/11	13,615	369,898	383,513
19.		0			0	0	0
20.	All Other Facilities	Various			109	139,552	139,661
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$197,337</b>	<b>\$5,595,331</b>	<b>\$5,792,668</b>
<b><u>OTHER COMPONENTS</u></b>							
21.		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>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL</b>					<b>\$197,337</b>	<b>\$5,595,331</b>	<b>\$5,792,668</b>

COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	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				
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	01/01/11	12/31/11	\$428,327	\$280,179	(\$148,149)
2.	Autumn Hills Health Care Center	1659343192	01/01/11	12/31/11	426,128	278,828	(147,300)
3.	Fremont Health Care Center	1366414906	01/01/11	12/31/11	536,934	351,004	(185,930)
4.	Driftwood Health Care - Hayward	1487627725	01/01/11	12/31/11	415,034	276,113	(138,921)
5.	Almaden Health and Rehab Center	1548232184	01/01/11	12/31/11	397,780	265,678	(132,102)
6.	Driftwood Healthcare Santa Cruz	1548232150	01/01/11	12/31/11	412,385	278,758	(133,627)
7.	Florin Healthcare Center	1538131032	01/01/11	12/31/11	505,939	332,871	(173,068)
8.	Hayward Hills Healthcare Center	1801868302	01/01/11	12/31/11	361,053	236,547	(124,506)
9.	Inglewood Healthcare Center	1013989656	01/01/11	12/31/11	349,674	228,761	(120,913)
10.	Parkview Healthcare Center	1609840115	01/01/11	12/31/11	476,951	312,137	(164,814)
11.	Santa Monica Health Care Center	1720051295	01/01/11	12/31/11	295,057	194,923	(100,134)
12.	Skyline Healthcare - San Jose	1902879471	01/01/11	12/31/11	979,823	644,225	(335,598)
13.	Verdugo Vista Healthcare Center	1851364194	01/01/11	12/31/11	368,691	241,463	(127,228)
14.	Vale Healthcare Center	1932172491	01/01/11	12/31/11	874,716	575,928	(298,788)
15.	Palm Springs Health & Rehab	1699747659	01/01/11	12/31/11	354,280	231,599	(122,681)
16.	Creekside Health Care Center	1811969355	01/01/11	12/31/11	420,737	275,044	(145,693)
17.	Pine Ridge Care Center	1376515817	01/01/11	12/31/11	405,775	265,436	(140,339)
18.	Rehab Center of Santa Monica	1083687560	01/01/11	12/31/11	586,663	383,513	(203,150)
19.		0			0	0	0
20.	All Other Facilities	Various			0	139,661	139,661

**SUBTOTAL (LINES 1 THROUGH 20)**

**\$8,595,947      \$5,792,668      (\$2,803,279)**

**OTHER COMPONENTS**

21.	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

**SUBTOTAL (LINES 21 THROUGH 35)**

**\$0      \$0      \$0**

**GRAND TOTAL**

**\$8,595,947      \$5,792,668      (\$2,803,279)**

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

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>HEALTH CARE FACILITIES</b>								
1.	Monterey Palms Health Care Center	1982676524	01/01/11	12/31/11	\$0	\$0	\$9,928	\$9,929
2.	Autumn Hills Health Care Center	1659343192	01/01/11	12/31/11	0	0	9,872	9,872
3.	Fremont Health Care Center	1366414906	01/01/11	12/31/11	0	0	12,461	12,461
4.	Driftwood Health Care - Hayward	1487627725	01/01/11	12/31/11	0	0	9,310	9,310
5.	Almaden Health and Rehab Center	1548232184	01/01/11	12/31/11	0	0	8,853	8,853
6.	Driftwood Healthcare Santa Cruz	1548232150	01/01/11	12/31/11	0	0	8,955	8,955
7.	Florin Healthcare Center	1538131032	01/01/11	12/31/11	0	0	11,599	11,599
8.	Hayward Hills Healthcare Center	1801868302	01/01/11	12/31/11	0	0	8,344	8,344
9.	Inglewood Healthcare Center	1013989656	01/01/11	12/31/11	0	0	8,103	8,103
10.	Parkview Healthcare Center	1609840115	01/01/11	12/31/11	0	0	11,045	11,045
11.	Santa Monica Health Care Center	1720051295	01/01/11	12/31/11	0	0	6,711	6,711
12.	Skyline Healthcare - San Jose	1902879471	01/01/11	12/31/11	0	0	22,491	22,491
13.	Verdugo Vista Healthcare Center	1851364194	01/01/11	12/31/11	0	0	8,526	8,527
14.	Vale Healthcare Center	1932172491	01/01/11	12/31/11	0	0	20,024	20,024
15.	Palm Springs Health & Rehab	1699747659	01/01/11	12/31/11	0	0	8,222	8,222
16.	Creekside Health Care Center	1811969355	01/01/11	12/31/11	0	0	9,764	9,764
17.	Pine Ridge Care Center	1376515817	01/01/11	12/31/11	0	0	9,405	9,405
18.	Rehab Center of Santa Monica	1083687560	01/01/11	12/31/11	0	0	13,615	13,615
19.		0			0	0	0	0
20.	All Other Facilities	Various			0	0	109	109
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					<b>\$0</b>	<b>\$0</b>	<b>\$197,337</b>	<b>\$197,337</b>
<b>OTHER COMPONENTS</b>								
21.		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
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL</b>					<b>\$0</b>	<b>\$0</b>	<b>\$197,337</b>	<b>\$197,337</b>

(To Schedule 1 & 2)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

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.	Monterey Palms Health Care Center	1982676524	01/01/11	12/31/11	\$500	\$0	\$269,750	\$270,250
2.	Autumn Hills Health Care Center	1659343192	01/01/11	12/31/11	750	0	268,206	268,956
3.	Fremont Health Care Center	1366414906	01/01/11	12/31/11	0	0	338,544	338,544
4.	Driftwood Health Care - Hayward	1487627725	01/01/11	12/31/11	13,853	0	252,949	266,802
5.	Almaden Health and Rehab Center	1548232184	01/01/11	12/31/11	16,290	0	240,534	256,824
6.	Driftwood Healthcare Santa Cruz	1548232150	01/01/11	12/31/11	26,492	0	243,310	269,802
7.	Florin Healthcare Center	1538131032	01/01/11	12/31/11	6,149	0	315,124	321,273
8.	Hayward Hills Healthcare Center	1801868302	01/01/11	12/31/11	1,500	0	226,703	228,203
9.	Inglewood Healthcare Center	1013989656	01/01/11	12/31/11	500	0	220,158	220,658
10.	Parkview Healthcare Center	1609840115	01/01/11	12/31/11	996	0	300,096	301,092
11.	Santa Monica Health Care Center	1720051295	01/01/11	12/31/11	5,888	0	182,325	188,213
12.	Skyline Healthcare - San Jose	1902879471	01/01/11	12/31/11	10,671	0	611,063	621,734
13.	Verdugo Vista Healthcare Center	1851364194	01/01/11	12/31/11	1,278	0	231,659	232,937
14.	Vale Healthcare Center	1932172491	01/01/11	12/31/11	11,869	0	544,035	555,904
15.	Palm Springs Health & Rehab	1699747659	01/01/11	12/31/11	0	0	223,378	223,378
16.	Creekside Health Care Center	1811969355	01/01/11	12/31/11	0	0	265,280	265,280
17.	Pine Ridge Care Center	1376515817	01/01/11	12/31/11	500	0	255,530	256,030
18.	Rehab Center of Santa Monica	1083687560	01/01/11	12/31/11	0	0	369,898	369,898
19.		0			0	0	0	0
20.	All Other Facilities	Various			136,579	0	2,973	139,552

**SUBTOTAL (LINES 1 THROUGH 20)**

**\$233,815      \$0      \$5,361,516      \$5,595,331**

**OTHER COMPONENTS**

21.	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**

**GRAND TOTAL**

**\$233,815      \$0      \$5,361,516      \$5,595,331**

(To Schedule 1 & 2)

POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

<u>HEALTH CARE FACILITIES</u>		PROVIDER NPI	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (SCH. 8) 2	NONCAPITAL (SCH. 8) 3	TOTAL POOLED (COL. 2 + 3) 4
			(Adj. 20)			
1.	Monterey Palms Health Care Center	1982676524	\$8,624,578	\$9,928	\$269,750	\$279,679
2.	Autumn Hills Health Care Center	1659343192	8,575,217	9,872	268,206	278,078
3.	Fremont Health Care Center	1366414906	10,824,072	12,461	338,544	351,004
4.	Driftwood Health Care - Hayward	1487627725	8,087,414	9,310	252,949	262,260
5.	Almaden Health and Rehab Center	1548232184	7,690,472	8,853	240,534	249,388
6.	Driftwood Healthcare Santa Cruz	1548232150	7,779,225	8,955	243,310	252,266
7.	Florin Healthcare Center	1538131032	10,075,279	11,599	315,124	326,722
8.	Hayward Hills Healthcare Center	1801868302	7,248,235	8,344	226,703	235,047
9.	Inglewood Healthcare Center	1013989656	7,038,997	8,103	220,158	228,261
10.	Parkview Healthcare Center	1609840115	9,594,801	11,045	300,096	311,141
11.	Santa Monica Health Care Center	1720051295	5,829,365	6,711	182,325	189,035
12.	Skyline Healthcare - San Jose	1902879471	19,537,170	22,491	611,063	633,554
13.	Verdugo Vista Healthcare Center	1851364194	7,406,705	8,526	231,659	240,185
14.	Vale Healthcare Center	1932172491	17,394,143	20,024	544,035	564,059
15.	Palm Springs Health & Rehab	1699747659	7,141,933	8,222	223,378	231,599
16.	Creekside Health Care Center	1811969355	8,481,642	9,764	265,280	275,044
17.	Pine Ridge Care Center	1376515817	8,169,934	9,405	255,530	264,936
18.	Rehab Center of Santa Monica	1083687560	11,826,550	13,615	369,898	383,513
19.		0	0	0	0	0
20.	All Other Facilities	Various	95,055	109	2,973	3,082
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$171,420,787</b>	<b>\$197,337</b>	<b>\$5,361,516</b>	<b>\$5,558,853</b>

<u>OTHER COMPONENTS</u>					
21.		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>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**GRAND TOTAL** **\$171,420,787**    **\$197,337**    **\$5,361,516**    **\$5,558,853**

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

MULTIPLIER

0.001151    0.031277

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

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	4.01
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO  
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	New Cap. Related- Movable 5.00	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.	Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0

(To Schedule 3)

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Salaries of Officers 11	Salaries and Temporary Labor 12	Payroll Taxes 13	Employee Benefits-Payroll Related 14	Employee Benefits- Nonpayroll 15	Profit Sharing/Pensio n Plans 16	Legal Fees 17
<b>HEALTH CARE FACILITIES</b>								
1.	Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.		0	0	0	0	0	0	0
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>			\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Auditing & Accounting Fees 18	Utilities 19	Communication s 20	Travel & Entertainment 21	Automobile 22	Supplies 23	Minor Equipment Expensed 24
<b>HEALTH CARE FACILITIES</b>								
1.	Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.		0	\$0	\$0	\$0	\$0	\$0	\$0
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>			\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Repairs & Maintenance 25	Dues & Subscriptions 26	Contributions 27	Insurance Premium-Non Capital Related 28	Taxes & Licenses - Non Capital Related 29	Interest Expense 30	Temporary Labor 31
<b>HEALTH CARE FACILITIES</b>								
1.	Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.		0	\$0	\$0	\$0	\$0	\$0	\$0
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>			\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Forms & Printing 32	Meetings & Conferences 33	Contracted Professional Services 34	Bank Charges 35	35.01	Clinical 35.02	35.03
<b>HEALTH CARE FACILITIES</b>								
1.	Monterey Palms Health Care Center 1982676524	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center 1659343192	0	0	0	0	0	0	0
3.	Fremont Health Care Center 1366414906	0	0	0	0	0	0	0
4.	Driftwood Health Care - Hayward 1487627725	0	0	0	0	0	0	0
5.	Almaden Health and Rehab Center 1548232184	0	0	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz 1548232150	0	0	0	0	0	0	0
7.	Florin Healthcare Center 1538131032	0	0	0	0	0	0	0
8.	Hayward Hills Healthcare Center 1801868302	0	0	0	0	0	0	0
9.	Inglewood Healthcare Center 1013989656	0	0	0	0	0	0	0
10.	Parkview Healthcare Center 1609840115	0	0	0	0	0	0	0
11.	Santa Monica Health Care Center 1720051295	0	0	0	0	0	0	0
12.	Skyline Healthcare - San Jose 1902879471	0	0	0	0	0	0	0
13.	Verdugo Vista Healthcare Center 1851364194	0	0	0	0	0	0	0
14.	Vale Healthcare Center 1932172491	0	0	0	0	0	0	0
15.	Palm Springs Health & Rehab 1699747659	0	0	0	0	0	0	0
16.	Creekside Health Care Center 1811969355	0	0	0	0	0	0	0
17.	Pine Ridge Care Center 1376515817	0	0	0	0	0	0	0
18.	Rehab Center of Santa Monica 1083687560	0	0	0	0	0	0	0
19.	0	0	0	0	0	0	0	0
20.	All Other Facilities Various	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>								
21.	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22.	0	0	0	0	0	0	0	0
23.	0	0	0	0	0	0	0	0
24.	0	0	0	0	0	0	0	0
25.	0	0	0	0	0	0	0	0
26.	0	0	0	0	0	0	0	0
27.	0	0	0	0	0	0	0	0
28.	0	0	0	0	0	0	0	0
29.	0	0	0	0	0	0	0	0
30.	0	0	0	0	0	0	0	0
31.	0	0	0	0	0	0	0	0
32.	0	0	0	0	0	0	0	0
33.	0	0	0	0	0	0	0	0
34.	0	0	0	0	0	0	0	0
35.	0	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	35.04	35.05	35.06	35.07	35.08	AUDITED TOTAL NONCAPITAL
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			\$0	\$0	\$0	\$0	\$0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</b>			\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Old Cap. Related- (Statistics)	(Statistics)	Old Cap. Related- (Statistics)	(Statistics)	New Cap. Related- (Statistics)	(Statistics)
		1.00	1.01	2.00	2.01	4.00	4.01
		(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	0	0	0	0	0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0	0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</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

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	New Cap. Related- (Statistics) 5.00	(Statistics) 5.01	Insurance Premiums (Statistics) 7.00	Taxes and Licenses - Not (Statistics) 8.00	Other (Statistics) 9.00
		(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )
<b>HEALTH CARE FACILITIES</b>						
1.	Monterey Palms Health Care Center	1982676524	0	0	0	0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0
19.		0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0
<b>OTHER COMPONENTS</b>						
21.		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
<b>SUBTOTAL (LINES 21 THROUGH 35)</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:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Salaries of Officers (Statistics)	Salaries and Temporary (Statistics)	Payroll Taxes (Statistics)	Employee Benefits-Payroll (Statistics)	Employee Benefits- (Statistics)	Profit Sharing/Pensio (Statistics)
		11.00	12.00	13.00	14.00	15.00	16.00
		(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	0	0	0	0	0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0	0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</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



FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Supplies	Minor Equipment	Repairs & Maintenance	Dues & Subscriptions	Contributions	Insurance Premium-Non
		(Statistics)	(Statistics)	(Statistics)	(Statistics)	(Statistics)	(Statistics)
		23.00 (Adj. )	24.00 (Adj. )	25.00 (Adj. )	26.00 (Adj. )	27.00 (Adj. )	28.00 (Adj. )
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	0	0	0	0	0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0	0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</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

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Taxes & Licenses - Non (Statistics) 29.00	Interest Expense (Statistics) 30.00	Temporary Labor (Statistics) 31.00	Forms & Printing (Statistics) 32.00	Meetings & Conferences (Statistics) 33.00	Contracted Professional (Statistics) 34.00
		(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )	(Adj. )
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	0	0	0	0	0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0	0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</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

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	Bank Charges		Clinical			
		(Statistics)	(Statistics)	(Statistics)	(Statistics)	(Statistics)	(Statistics)
		35.00 (Adj. )	35.01 (Adj. )	35.02 (Adj. )	35.03 (Adj. )	35.04 (Adj. )	35.05 (Adj. )
<b>HEALTH CARE FACILITIES</b>							
1.	Monterey Palms Health Care Center	1982676524	0	0	0	0	0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0
19.		0	0	0	0	0	0
20.	All Other Facilities	Various	0	0	0	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0	0	0	0
<b>OTHER COMPONENTS</b>							
21.		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
<b>GRAND TOTAL</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

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	(Statistics)	(Statistics)	(Statistics)
		35.06 (Adj. )	35.07 (Adj. )	35.08 (Adj. )
<b>HEALTH CARE FACILITIES</b>				
1.	Monterey Palms Health Care Center	1982676524	0	0
2.	Autumn Hills Health Care Center	1659343192	0	0
3.	Fremont Health Care Center	1366414906	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0
7.	Florin Healthcare Center	1538131032	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0
9.	Inglewood Healthcare Center	1013989656	0	0
10.	Parkview Healthcare Center	1609840115	0	0
11.	Santa Monica Health Care Center	1720051295	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0
14.	Vale Healthcare Center	1932172491	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0
16.	Creekside Health Care Center	1811969355	0	0
17.	Pine Ridge Care Center	1376515817	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0
19.		0	0	0
20.	All Other Facilities	Various	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			0	0

<b>OTHER COMPONENTS</b>				
21.		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
<b>SUBTOTAL (LINES 21 THROUGH 35)</b>			0	0
<b>GRAND TOTAL</b>			0	0

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

DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	REPORTED TOTAL (SCH. E)						AUDITED TOTAL
			(Adj. )					
<b><u>HEALTH CARE FACILITIES</u></b>								
1.	Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	0	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	0	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	0	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	0	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	0	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	0	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	0	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	0	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	0	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	0	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	0	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0	0
19.	0	0	0	0	0	0	0	0
20.	All Other Facilities	Various	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><u>OTHER COMPONENTS</u></b>								
21.	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22.	0	0	0	0	0	0	0	0
23.	0	0	0	0	0	0	0	0
24.	0	0	0	0	0	0	0	0
25.	0	0	0	0	0	0	0	0
26.	0	0	0	0	0	0	0	0
27.	0	0	0	0	0	0	0	0
28.	0	0	0	0	0	0	0	0
29.	0	0	0	0	0	0	0	0
30.	0	0	0	0	0	0	0	0
31.	0	0	0	0	0	0	0	0
32.	0	0	0	0	0	0	0	0
33.	0	0	0	0	0	0	0	0
34.	0	0	0	0	0	0	0	0
35.	0	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>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:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

	PROVIDER NPI	REPORTED TOTAL (SCH. E-1)	Legal Fees	Legal Fees	Legal Fees	Contracted Professional Services	Contracted Professional Services			
			(Adj. 2)	(Adj. 3)	(Adj. 4)	(Adj. 5)	(Adj. 6)	(Adj. )	(Adj. )	
<b>HEALTH CARE FACILITIES</b>										
1.	Monterey Palms Health Care Center	1982676524	\$500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2.	Autumn Hills Health Care Center	1659343192	750	0	0	0	0	0	0	0
3.	Fremont Health Care Center	1366414906	0	0	0	0	0	0	0	0
4.	Driftwood Health Care - Hayward	1487627725	13,853	0	0	0	0	0	0	0
5.	Almaden Health and Rehab Center	1548232184	16,290	0	0	0	0	0	0	0
6.	Driftwood Healthcare Santa Cruz	1548232150	26,492	0	0	0	0	0	0	0
7.	Florin Healthcare Center	1538131032	6,149	0	0	0	0	0	0	0
8.	Hayward Hills Healthcare Center	1801868302	1,500	0	0	0	0	0	0	0
9.	Inglewood Healthcare Center	1013989656	500	0	0	0	0	0	0	0
10.	Parkview Healthcare Center	1609840115	996	0	0	0	0	0	0	0
11.	Santa Monica Health Care Center	1720051295	5,888	0	0	0	0	0	0	0
12.	Skyline Healthcare - San Jose	1902879471	10,671	0	0	0	0	0	0	0
13.	Verdugo Vista Healthcare Center	1851364194	1,278	0	0	0	0	0	0	0
14.	Vale Healthcare Center	1932172491	11,869	0	0	0	0	0	0	0
15.	Palm Springs Health & Rehab	1699747659	0	0	0	0	0	0	0	0
16.	Creekside Health Care Center	1811969355	0	0	0	0	0	0	0	0
17.	Pine Ridge Care Center	1376515817	500	0	0	0	0	0	0	0
18.	Rehab Center of Santa Monica	1083687560	0	0	0	0	0	0	0	0
19.	0	0	0	0	0	0	0	0	0	0
20.	All Other Facilities	Various	0	68,352	10,215	1,336	46,736	9,940	0	0
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>			<b>\$97,236</b>	<b>\$68,352</b>	<b>\$10,215</b>	<b>\$1,336</b>	<b>\$46,736</b>	<b>\$9,940</b>	<b>\$0</b>	<b>\$0</b>
<b>OTHER COMPONENTS</b>										
21.	0	0	0	0	0	0	0	0	0	0
22.	0	0	0	0	0	0	0	0	0	0
23.	0	0	0	0	0	0	0	0	0	0
24.	0	0	0	0	0	0	0	0	0	0
25.	0	0	0	0	0	0	0	0	0	0
26.	0	0	0	0	0	0	0	0	0	0
27.	0	0	0	0	0	0	0	0	0	0
28.	0	0	0	0	0	0	0	0	0	0
29.	0	0	0	0	0	0	0	0	0	0
30.	0	0	0	0	0	0	0	0	0	0
31.	0	0	0	0	0	0	0	0	0	0
32.	0	0	0	0	0	0	0	0	0	0
33.	0	0	0	0	0	0	0	0	0	0
34.	0	0	0	0	0	0	0	0	0	0
35.	0	0	0	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>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL</b>			<b>\$97,236</b>	<b>\$68,352</b>	<b>\$10,215</b>	<b>\$1,336</b>	<b>\$46,736</b>	<b>\$9,940</b>	<b>\$0</b>	<b>\$0</b>

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:  
MARINER HEALTH CARE, INC.

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

<u>HEALTH CARE FACILITIES</u>	PROVIDER NPI							AUDITED TOTAL
		(Adj. )						
1. Monterey Palms Health Care Center	1982676524	\$0	\$0	\$0	\$0	\$0	\$0	\$500
2. Autumn Hills Health Care Center	1659343192	0	0	0	0	0	0	750
3. Fremont Health Care Center	1366414906	0	0	0	0	0	0	0
4. Driftwood Health Care - Hayward	1487627725	0	0	0	0	0	0	13,853
5. Almaden Health and Rehab Center	1548232184	0	0	0	0	0	0	16,290
6. Driftwood Healthcare Santa Cruz	1548232150	0	0	0	0	0	0	26,492
7. Florin Healthcare Center	1538131032	0	0	0	0	0	0	6,149
8. Hayward Hills Healthcare Center	1801868302	0	0	0	0	0	0	1,500
9. Inglewood Healthcare Center	1013989656	0	0	0	0	0	0	500
10. Parkview Healthcare Center	1609840115	0	0	0	0	0	0	996
11. Santa Monica Health Care Center	1720051295	0	0	0	0	0	0	5,888
12. Skyline Healthcare - San Jose	1902879471	0	0	0	0	0	0	10,671
13. Verdugo Vista Healthcare Center	1851364194	0	0	0	0	0	0	1,278
14. Vale Healthcare Center	1932172491	0	0	0	0	0	0	11,869
15. Palm Springs Health & Rehab	1699747659	0	0	0	0	0	0	0
16. Creekside Health Care Center	1811969355	0	0	0	0	0	0	0
17. Pine Ridge Care Center	1376515817	0	0	0	0	0	0	500
18. Rehab Center of Santa Monica	1083687560	0	0	0	0	0	0	0
19.	0	0	0	0	0	0	0	0
20. All Other Facilities	Various	0	0	0	0	0	0	136,579
<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>\$233,815</b>
<b><u>OTHER COMPONENTS</u></b>								
21.	0	0	0	0	0	0	0	0
22.	0	0	0	0	0	0	0	0
23.	0	0	0	0	0	0	0	0
24.	0	0	0	0	0	0	0	0
25.	0	0	0	0	0	0	0	0
26.	0	0	0	0	0	0	0	0
27.	0	0	0	0	0	0	0	0
28.	0	0	0	0	0	0	0	0
29.	0	0	0	0	0	0	0	0
30.	0	0	0	0	0	0	0	0
31.	0	0	0	0	0	0	0	0
32.	0	0	0	0	0	0	0	0
33.	0	0	0	0	0	0	0	0
34.	0	0	0	0	0	0	0	0
35.	0	0	0	0	0	0	0	0
<b>SUBTOTAL (LINES 21 THROUGH 35)</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>	<b>\$233,815</b>

(To Schedule 3-1)

## TRIAL BALANCE OF EXPENSES

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

LINE NO.	COST CENTER DESCRIPTION	REPORTED POOLED ALLOC. (SCH. B, COL 8)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED POOLED COSTS
<b>CAPITAL-RELATED COSTS - OLD</b>					
1.00	Old Cap. Related-Buildings & Fixtures				\$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		0		0	0
5.00	New Cap. Related-Movable Equipment	209,509	1	(12,172)	197,337
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$209,509</u>		<u>(\$12,172)</u>	<u>\$197,337</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 and Temporary Labor	3,333,308	7	(1,462,305)	1,871,003
13.00	Payroll Taxes	204,993		0	204,993
14.00	Employee Benefits-Payroll Related	185,003		0	185,003
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	222,812	2,3,4,8	(83,224)	139,588
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	(13,606)		0	(13,606)
20.00	Communications	109,563		0	109,563
21.00	Travel & Entertainment	293,523		0	293,523
22.00	Automobile	140,924		0	140,924
23.00	Supplies	31,946		0	31,946
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	1,147		0	1,147
26.00	Dues & Subscriptions	16,132		0	16,132
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	130,915		0	130,915
30.00	Interest Expense	318,909	1,19	(318,909)	0
31.00	Temporary Labor	0		0	0
32.00	Forms & Printing	3,026		0	3,026
33.00	Meetings & Conferences	20,519		0	20,519
34.00	Contracted Professional Services	1,562,875	5,6,9-18	(1,063,251)	499,624
35.00	Bank Charges	288,911		0	288,911
35.01		0		0	0
35.02	Clinical	1,438,305		0	1,438,305
35.03		0		0	0
35.04		0		0	0
35.05		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>\$8,289,205</u>		<u>(\$2,927,689)</u>	<u>\$5,361,516</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$8,498,714</u>		<u>(\$2,939,861)</u>	<u>\$5,558,853</u> (To Sch. 4)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
	<b>TOTAL EXPENSES</b>	<u>\$8,498,714</u>		<u>(\$2,939,861)</u>	<u>\$5,558,853</u>

## TRIAL BALANCE OF EXPENSES

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

LINE NO.	COST CENTER DESCRIPTION	REPORTED DIRECT ALLOC. (SCH. B, COL 6)	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		0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01		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 and Temporary Labor	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	Legal Fees	97,236	2,3,4	79,903	177,139
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
22.00	Automobile	0		0	0
23.00	Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	0		0	0
26.00	Dues & Subscriptions	0		0	0
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0		0	0
30.00	Interest Expense	0		0	0
31.00	Temporary Labor	0		0	0
32.00	Forms & Printing	0		0	0
33.00	Meetings & Conferences	0		0	0
34.00	Contracted Professional Services	0	5,6	56,676	56,676
35.00	Bank Charges	0		0	0
35.01		0		0	0
35.02	Clinical	0		0	0
35.03		0		0	0
35.04		0		0	0
35.05		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>\$97,236</u>		<u>\$136,579</u>	<u>\$233,815</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$97,236</u>		<u>\$136,579</u>	<u>\$233,815</u>
(To Sch. 7, 7-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
<b>TOTAL EXPENSES</b>		<u>\$97,236</u>		<u>\$136,579</u>	<u>\$233,815</u>

## TRIAL BALANCE OF EXPENSES

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

LINE NO.	COST CENTER DESCRIPTION	REPORTED FUNCTIONAL COSTS (SCH. B, COL 7)	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		0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01		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 and Temporary Labor	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	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
22.00	Automobile	0		0	0
23.00	Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	0		0	0
26.00	Dues & Subscriptions	0		0	0
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0		0	0
30.00	Interest Expense	0		0	0
31.00	Temporary Labor	0		0	0
32.00	Forms & Printing	0		0	0
33.00	Meetings & Conferences	0		0	0
34.00	Contracted Professional Services	0		0	0
35.00	Bank Charges	0		0	0
35.01		0		0	0
35.02	Clinical	0		0	0
35.03		0		0	0
35.04		0		0	0
35.05		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:  
MARINER HEALTH CARE, INC

FISCAL PERIOD ENDED:  
DECEMBER 31, 2011

HEALTH CARE FACILITIES	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. 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)		
1. Monterey Palms Health Care Center	1982676524	01/01/11	12/31/11		\$500			\$10,547	\$417,280	\$428,327	
2. Autumn Hills Health Care Center	1659343192	01/01/11	12/31/11		750			10,486	414,892	426,128	
3. Fremont Health Care Center	1366414906	01/01/11	12/31/11		0			13,236	523,698	536,934	
4. Driftwood Health Care - Hayward	1487627725	01/01/11	12/31/11		13,853			9,890	391,291	415,034	
5. Almaden Health and Rehab Center	1548232184	01/01/11	12/31/11		16,290			9,404	372,086	397,780	
6. Driftwood Healthcare Santa Cruz	1548232150	01/01/11	12/31/11		26,492			9,513	376,380	412,385	
7. Florin Healthcare Center	1538131032	01/01/11	12/31/11		6,149			12,321	487,469	505,939	
8. Hayward Hills Healthcare Center	1801868302	01/01/11	12/31/11		1,500			8,864	350,689	361,053	
9. Inglewood Healthcare Center	1013989656	01/01/11	12/31/11		500			8,608	340,566	349,674	
10. Parkview Healthcare Center	1609840115	01/01/11	12/31/11		996			11,733	464,222	476,951	
11. Santa Monica Health Care Center	1720051295	01/01/11	12/31/11		5,888			7,129	282,040	295,057	
12. Skyline Healthcare - San Jose	1902879471	01/01/11	12/31/11		10,671			23,891	945,261	979,823	
13. Verdugo Vista Healthcare Center	1851364194	01/01/11	12/31/11		1,278			9,057	358,356	368,691	
14. Vale Healthcare Center	1932172491	01/01/11	12/31/11		11,869			21,271	841,576	874,716	
15. Palm Springs Health & Rehab	1699747659	01/01/11	12/31/11		0			8,734	345,546	354,280	
16. Creekside Health Care Center	1811969355	01/01/11	12/31/11		0			10,372	410,365	420,737	
17. Pine Ridge Care Center	1376515817	01/01/11	12/31/11		500			9,991	395,284	405,775	
18. Rehab Center of Santa Monica	1083687560	01/01/11	12/31/11		0			14,462	572,201	586,663	
19.										0	
20. All Other Facilities	Various									0	
<b>SUBTOTAL (LINES 1 THROUGH 20)</b>					\$0	\$97,236	\$0	\$0	\$209,509	\$8,289,202	\$8,595,947
<b>OTHER COMPONENTS</b>											
21.											\$0
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	\$0	\$0	\$0	\$0	\$0	\$0
<b>GRAND TOTAL</b>					\$0	\$97,236	\$0	\$0	\$209,509	\$8,289,202	\$8,595,947

Provider Name							Fiscal Period			Provider Number		Adjustments
MARINER HEALTH CARE, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		20
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><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>												
1	8	B			5.00	8	Capital Related Costs		\$209,509	(\$12,172)	\$197,337	
	8	B			30.00	8	Interest Expense		318,909	12,172	331,081 *	
							To reverse provider's reclassification of interest expense to capital related costs due to insufficient supporting documentation that the borrowing was necessary, proper, reasonable, and related to patient care in conjunction with adjustment 19. 42 CFR 413.9, 413.20, 413.24, and 413.153 CMS Pub. 15-1, Sections 202, 202.1, 202.2, 2300, and 2304					
2	7-1	E			20.00	6	All Other Facilities		\$0	\$68,352	\$68,352 *	
	8	B			17.00	8	Legal Fees		222,812	(68,352)	154,460 *	
	8	B			17.00	6	Legal Fees		97,236	68,352	165,588 *	
							To directly allocate the Abelson Herron LLP legal expense for landlord dispute during divestiture of facilities not related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2183, 2300, 2304, and 2304.1					
3	7-1	E			20.00	6	All Other Facilities	*	\$68,352	\$10,215	\$78,567 *	
	8	B			17.00	8	Legal Fees	*	154,460	(10,215)	144,245 *	
	8	B			17.00	6	Legal Fees	*	165,588	10,215	175,803 *	
							To directly allocate the Beach Whitman Cowdrey LLP legal expense for landlord dispute during divestiture of facilities not related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2183, 2300, 2304, and 2304.1					

Provider Name							Fiscal Period			Provider Number		Adjustments
MARINER HEALTH CARE, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		20
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><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>												
4	7-1	E			20.00	6	All Other Facilities	*	\$78,567	\$1,336	\$79,903 *	
	8	B			17.00	8	Legal Fees	*	144,245	(1,336)	142,909 *	
	8	B			17.00	6	Legal Fees	*	175,803	1,336	177,139	
							To directly allocate the Driftwood Torrance legal expense after divestiture of the facility not related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2183, 2300, 2304, and 2304.1					
5	7-1	E			20.00	6	All Other Facilities	*	\$79,903	\$46,736	\$126,639 *	
	8	B			34.00	8	Contracted Professional Services		1,562,875	(46,736)	1,516,139 *	
	8	B			34.00	6	Contracted Professional Services		0	46,736	46,736 *	
							To directly allocate the IKON copy expense for the Heavy litigation in La Salle facility not related to patient care. 42 CFR 413.9(c)(3), 413.20, and 413.24 CMS Pub. 15-1, Sections 2102.3, 2183, 2300, 2304, and 2304.1					
6	7-1	E			20.00	6	All Other Facilities	*	\$126,639	\$9,940	\$136,579	
	8	B			34.00	8	Contracted Professional Services	*	1,516,139	(9,940)	1,506,199 *	
	8	B			34.00	6	Contracted Professional Services	*	46,736	9,940	56,676	
							To directly allocate the DataLok box destruction expense after the divestiture of Driftwood Torrance not related to patient care 42 CFR 413.9(c)(3) Sections CMS Pub. 15-1, Sections 1002.1, 2102.3, and 2134.10					

Provider Name							Fiscal Period		Provider Number		Adjustments
MARINER HEALTH CARE, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		N/A		20
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 POOLED COSTS</b>											
7	8	B			12.00	8	Salaries and Temporary Labor To eliminate bonus expense due to insufficient documentation of the criteria for granting the bonus and the relationship to patient care. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 904, 2102.1, 2103, 2136.2, 2300, 2304, and 2305	\$3,333,308	(\$1,462,305)	\$1,871,003	
8	8	B			17.00	8	Legal Fees To eliminate the FMSC name change legal expenses not related to patient care. 42 CFR 413.9(c)(3) Sections CMS Pub. 15-1, Sections 1002.1, 2102.3, and 2134.10	* \$142,909	(\$3,321)	\$139,588	
9	8	B			34.00	8	Contracted Professional Services  To eliminate the income tax services for National Senior Care not related to patient care. 42 CFR 413.9(c)(3) Sections CMS Pub. 15-1, Sections 1002.1, 2102.3, and 2806.2	* \$1,506,199			
10							To eliminate related party restructuring cost expenses not related to patient care. 42 CFR 413.9(c)(3) Sections CMS Pub. 15-1, Sections 1002.1, 2102.3, and 2134.10			(233,732)	
11							To eliminate consultant expense due to insufficient documentation that shows the expenses are related to patient care. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2183, 2300, and 2304			(201,154) (\$685,526)	\$820,673 *

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider Number		Adjustments			
MARINER HEALTH CARE, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		N/A		20			
Report References							Explanation of Audit Adjustments							
Adj. No.	Audit Report	Cost Report										As Reported	Increase (Decrease)	As Adjusted
		Work Sheet	Part	Title	Line	Col.								
<b>ADJUSTMENTS TO REPORTED POOLED COSTS</b>														
12	8	B			34.00	8	Contracted Professional Services	*	\$820,673					
							To eliminate consulting expense due to lack of documentation the expenses are related to patient care. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)			(\$165,000)				
13							To eliminate reorganization accounting expense performed by Sava Healthcare not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2134.10			(89,483)				
14							To eliminate reorganization accounting expense performed by Sava Healthcare not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2134.10			(44,282)				
15							To eliminate related party restructuring costs expense not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 1002.1, 2102.3, and 2134.10			(11,859)				
16							To eliminate data entry expense due to insufficient documentation that shows the expenses are related to patient care. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)			(5,000)				
17							To eliminate PineBridge Investments management fee expense due to insufficient documentation that shows the expenses are related to patient care. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304, W&I Code 14124.2(b)			<u>(3,795)</u> (\$319,419)	\$501,254 *			
*Balance carried forward from prior/to subsequent adjustments											Page 4			

Provider Name							Fiscal Period			Provider Number		Adjustments
MARINER HEALTH CARE, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		20
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 POOLED COSTS</b>												
18	8	B			34.00	8	Contracted Professional Services To eliminate the geoscientist travel expense due to insufficient documentation that shows the expenses are related to patient care. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 / W&I Code 14124.2(b)	*	\$501,254	(\$1,630)	\$499,624	
19	8	B			30.00	8	Interest Expense To eliminate interest expense at the Home Office due to insufficient supporting documentation that the borrowing was necessary, proper, reasonable, and that shows the expenses are related to patient care in conjunction with adjustment 1. 42 CFR 413.9, 413.20, 413.24, and 413.153 CMS Pub. 15-1, Sections 202, 202.1, 202.2, 2300 and 2304	*	\$331,081	(\$331,081)	\$0	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider Number		Adjustments
MARINER HEALTH CARE, INC.							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			N/A		20
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><u>ADJUSTMENT TO REPORTED STATISTICS</u></b>												
20	4	G			20.00	3	All Other Facilities (Total Cost)		0	95,055	95,055	
	4	G				3	Total - Total Costs		171,325,638	95,055	171,420,693	
							To include the sold facilities costs in the pooled allocation statistics to agree with provider's Profit and Loss statements. 42 CFR 413.24 and 413.50 / CMS Pub. 15-1, Sections 2304 and 2306					