

**REPORT  
ON THE  
RATE SETTING AUDIT**

**CHAPMAN CONVALESCENT HOSPITAL  
RIVERSIDE, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1295772531**

**FISCAL PERIOD ENDED  
FEBRUARY 28, 2011**

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

**Section Chief: Margaret A. Varho  
Audit Supervisor: Margaret A. Varho  
Auditor: Oscar Herrera**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: September 4, 2013

Grant Edgson, Administrator  
Chapman Convalescent Hospital  
4301 Caroline Court  
Riverside, CA 92506

CHAPMAN CONVALESCENT HOSPITAL  
NATIONAL PROVIDER IDENTIFIER 1295772531  
FISCAL PERIOD ENDED FEBRUARY 28, 2011

We have examined the facility's Integrated Disclosure and Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the accompanying Summary of Audited Facility Cost per Patient Day represents a proper determination of the allowable costs and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles.

This audit report includes the:

1. Summary of Audited Facility Cost per Patient Day and supporting schedules
2. Audit Adjustments Schedule

Future Medi-Cal long-term care prospective rates may be affected by this examination. The extent to which the rates change will be determined by the Department's Fee-For-Service Rate Development Division.

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

Grant Edgson  
Page 2

If you disagree with the decision of the Department, you may appeal by writing to:

Chief  
Department of Health Care Services  
Office of Administrative Hearings and Appeals  
1029 J Street, Suite 200  
Sacramento, CA 95814  
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

**United States Postal Service (USPS)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
PO Box 997413  
Sacramento, CA 95899

**Courier (UPS, FedEx, etc.)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814  
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

***(Original signed by Margaret Varho)***

Margaret A. Varho, Chief  
Audits Section—Santa Ana  
Financial Audits Branch

Certified

## SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility No.:  
206331139

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
<b>SKILLED NURSING CARE</b>				
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	\$ N/A	\$ 1,534,866	\$ 93.76
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 454,319	\$ 27.75
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 429,706	\$ 26.25
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 304,790	\$ 18.62
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 2,737	\$ 0.17
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 10,932	\$ 0.67
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 55,487	\$ 3.39
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 161,071	\$ 9.84
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 222,711	\$ 13.60
11	Cost of Routine Service/Audited Total Costs	\$ 3,349,206	\$ 3,176,621	\$ 194.04
12	Total Patient Days (Adj 13)	15,798	16,371	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 212.00	\$ 194.04	
14	Overpayments (Adj )	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 14)	9,861	6,196	
16	Medi-Cal Managed Care Days (Adj )		0	
<b>INTERMEDIATE CARE</b>				
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
18	Total Patient Days (Adj )	0	0	
19	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
20	Overpayments (Adj )	\$ 0	\$ 0	
<b>MENTALLY DISORDERED CARE</b>				
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
22	Total Patient Days (Adj )	0	0	
23	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
24	Overpayments (Adj )	\$ 0	\$ 0	
<b>DEVELOPMENTALLY DISABLED CARE</b>				
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
26	Total Patient Days (Adj )	0	0	
27	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
28	Overpayments (Adj )	\$ 0	\$ 0	
<b>SUBACUTE CARE</b>				
29	Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)	\$ N/A	\$ 0	\$ 0.00
30	Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)	\$ N/A	\$ 0	\$ 0.00
31	Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27)	\$ N/A	\$ 0	\$ 0.00
32	Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)	\$ N/A	\$ 0	\$ 0.00
33	Property Taxes (Subacute Care Sch. 1, Ln. 29)	\$ N/A	\$ 0	\$ 0.00
34	CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)	\$ N/A	\$ 0	\$ 0.00
35	Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)	\$ N/A	\$ 0	\$ 0.00
36	Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)	\$ N/A	\$ 0	\$ 0.00
37	Caregiver Training (Subacute Care Sch. 1, Ln. 33)	\$ N/A	\$ 0	\$ 0.00
38	Cost of Administration (Subacute Care Sch.1, Ln. 34)	\$ N/A	\$ 0	\$ 0.00
39	Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)	\$ 0	\$ 0	\$ 0.00
40	Total Patient Days (Subacute Care Sch. 1, Ln. 36)	0	0	
41	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
42	Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)	\$ 0	\$ 0	

## SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

**Provider Name:**  
CHAPMAN CONVALESCENT HOSPITAL

**Fiscal Period:**  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

**Provider NPI:**  
1295772531

**OSHPD Facility No.:**  
206331139

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
<b>SUBACUTE CARE - PEDIATRIC</b>				
43	Cost of Routine Service (Subacute Care - Pediatric, Sch. 1, Ln 3)	\$ 0	\$ 0	
44	Cost of Ancillary Service (Subacute Care - Pediatric, Sch. 1, Ln. 1 + Ln. 2)	\$ 0	\$ 0	
45	Total Cost of Subacute Care - Pediatric Service (Ln. 43 + Ln. 44)	\$ 0	\$ 0	
46	Total Patient Days (Subacute Care - Pediatric, Sch. 1, Ln. 5)	0	0	
47	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
48	Amount Due Provider (State) (Subacute Care - Pediatric, Sch. 1, Ln. 9)	\$ 0	\$ 0	
<b>TRANSITIONAL INPATIENT CARE</b>				
49	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
50	Total Patient Days (Adj )	0	0	
51	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
52	Overpayments (Adj )	\$ 0	\$ 0	
<b>HOSPICE INPATIENT CARE</b>				
53	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 237,957	\$ 0	
54	Total Patient Days (Adj 13)	573	0	
55	Cost Per Patient Day (Cost Divided by Days)	\$ 415.28	\$ 0.00	
56	Overpayments (Adj )	\$ 0	\$ 0	
<b>OTHER ROUTINE SERVICES</b>				
57	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
58	Total Patient Days (Adj )	0	0	
59	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
60	Overpayments (Adj )	\$ 0	\$ 0	

**ALLOCATION OF GENERAL SERVICES  
DIRECT CARE LABOR**

**Provider Name:**  
CHAPMAN CONVALESCENT HOSPITAL

**Fiscal Period:**  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

**Provider NPI:**  
1295772531

**OSHPD Facility No.:**  
206331139

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs	Activities	Total
			155	160	
<b>GENERAL SERVICES</b>					
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 29,311	\$ 29,311		
160	Activities	64,477		\$ 64,477	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
<b>ANCILLARY SERVICES</b>					
075	Patient Supplies	0	0	0	0
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	223,756	0	0	223,756
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	132,622	0	0	132,622
083	Speech Pathology	0	0	0	0
085	Pharmacy	0	0	0	0
090	Laboratory	0	0	0	0
095	Home Health Services	0	0	0	0
100	Other Ancillary Services	0	0	0	0
101	Subacute Care Ancillary Services	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0
<b>ROUTINE SERVICES</b>					
105	Skilled Nursing Care	1,441,078	29,311	64,477	1,534,866 *
110	Intermediate Care	0	0	0	0 *
115	Mentally Disordered Care	0	0	0	0 *
120	Developmentally Disabled Care	0	0	0	0 *
125	Subacute Care	0	0	0	0 *
126	Subacute Care - Pediatric	0	0	0	0 *
128	Transitional Inpatient Care	0	0	0	0 *
130	Hospice Inpatient Care	0	0	0	0 *
135	Other Routine Services	0	0	0	0 *
<b>NONREIMBURSABLE</b>					
139	Residential Care	0	0	0	0
140	Beauty and Barber	0	0	0	0
145	Other Nonreimbursable	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,891,244</b>	<b>\$ 29,311</b>	<b>\$ 64,477</b>	<b>\$ 1,891,244</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 005	Hskpng 010	Laundry 060	Dietary 065	Soc Svcs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total
	<b>GENERAL SERVICES</b>												
005	Plant Operations and Maintenance	\$ -	\$ -										
010	Housekeeping	192,585	-	\$ 192,585									
060	Laundry and Linen	26,350	0	9,477	\$ 35,827								
065	Dietary	173,011	0	15,120	0	\$ 188,131							
155	Social Services	N/A	0	686	0	0	\$ 686						
160	Activities	N/A	0	2,058	0	0	0	\$ 2,058					
165	Administration	N/A	0	10,883	0	0	0	0		\$ 10,883	\$ 10,883		
166	Medical Records	32,003	0	858	0	0	0	0		32,861		\$ 32,861	
170	Inservice Education - Nursing	66,573	0	858	0	0	0	0	\$ 67,431				
	<b>ANCILLARY SERVICES</b>												
075	Patient Supplies		0	858	0	0	0	0	0	858	65	196	\$ 1,119
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	3	10	13
080	Physical Therapy		0	3,430	0	0	0	0	0	3,430	1,142	3,447	8,019
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		0	3,413	0	0	0	0	0	3,413	474	1,430	5,317
083	Speech Pathology		0	3,413	0	0	0	0	0	3,413	60	182	3,656
085	Pharmacy		0	0	0	0	0	0	0	0	176	532	709
090	Laboratory		0	0	0	0	0	0	0	0	96	290	386
095	Home Health Services		0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services		0	0	0	0	0	0	0	0	69	210	279
101	Subacute Care Ancillary Services		0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services		0	0	0	0	0	0	0	0	0	0	0
	<b>ROUTINE SERVICES</b>												
105	Skilled Nursing Care		0	125,657	35,827	188,131	686	2,058	67,431	419,789	8,591	25,939	454,319 *
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care		0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric		0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0 *
	<b>NONREIMBURSABLE</b>												
139	Residential Care		0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber		0	1,338	0	0	0	0	0	1,338	29	87	1,454
145	Other Nonreimbursable		0	14,536	0	0	0	0	0	14,536	178	537	15,251
	<b>TOTAL</b>	\$ 490,522	\$ -	\$ 192,585	\$ 35,827	\$ 188,131	\$ 686	\$ 2,058	\$ 67,431	\$ 446,778	\$ 10,883	\$ 32,861	\$ 490,522

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 5	Hskpng 10	Laundry 60	Dietary 65	Soc Svcs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total
	<b>GENERAL SERVICES</b>												
005	Plant Operations and Maintenance	\$ 147,445	\$ 147,445										
010	Housekeeping	25,391	2,637	\$ 28,028									
060	Laundry and Linen	24,600	7,126	1,379	\$ 33,105								
065	Dietary	166,091	11,369	2,200	0	\$ 179,660							
155	Social Services	0	516	100	0	0	\$ 616						
160	Activities	5,245	1,548	300	0	0	0	\$ 7,092					
165	Administration	N/A	8,183	1,584	0	0	0	0		\$ 9,767	\$ 9,767		
166	Medical Records	12,021	645	125	0	0	0	0		12,791		\$ 12,791	
170	Inservice Education - Nursing	1,644	645	125	0	0	0	0	\$ 2,414				
	<b>ANCILLARY SERVICES</b>												
075	Patient Supplies	16,838	645	125	0	0	0	0	0	17,608	58	76	\$ 17,742
077	Specialized Support Surfaces	990	0	0	0	0	0	0	0	990	3	4	997
080	Physical Therapy	116,324	2,579	499	0	0	0	0	0	119,403	1,025	1,342	121,769
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	940	2,567	497	0	0	0	0	0	4,003	425	557	4,985
083	Speech Pathology	5,732	2,567	497	0	0	0	0	0	8,795	54	71	8,920
085	Pharmacy	54,512	0	0	0	0	0	0	0	54,512	158	207	54,877
090	Laboratory	29,672	0	0	0	0	0	0	0	29,672	86	113	29,871
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	21,487	0	0	0	0	0	0	0	21,487	62	82	21,631
101	Subacute Care Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0
	<b>ROUTINE SERVICES</b>												
105	Skilled Nursing Care	76,242	94,483	18,288	33,105	179,660	616	7,092	2,414	411,900	7,710	10,097	429,706 *
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care	0	0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric	0	0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0 *
	<b>NONREIMBURSABLE</b>												
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	3,898	1,006	195	0	0	0	0	0	5,099	26	34	5,159
145	Other Nonreimbursable	0	10,930	2,116	0	0	0	0	0	13,046	160	209	13,414
	<b>TOTAL</b>	<b>\$ 709,072</b>	<b>\$ 147,445</b>	<b>\$ 28,028</b>	<b>\$ 33,105</b>	<b>\$ 179,660</b>	<b>\$ 616</b>	<b>\$ 7,092</b>	<b>\$ 2,414</b>	<b>\$ 686,514</b>	<b>\$ 9,767</b>	<b>\$ 12,791</b>	<b>\$ 709,072</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Capital	Plant Ops	Hskpng	Laundry	Dietary	Soc Srvs	Activities
				Various	5	10	60	65	155	160
<b>GENERAL SERVICES</b>										
	Capital Related (excluding lines 40 & 45)	\$ 359,839	99%							
	Property Tax (line 40)	3,231	1%	\$ 363,070						
005	Plant Operations and Maintenance			11,173	\$ 11,173					
010	Housekeeping			6,295	200	\$ 6,494				
060	Laundry and Linen			17,006	540	320	\$ 17,866			
065	Dietary			27,133	862	510	0	\$ 28,504		
155	Social Services			1,231	39	23	0	0	\$ 1,293	
160	Activities			3,694	117	69	0	0	0	\$ 3,880
165	Administration			19,530	620	367	0	0	0	0
166	Medical Records			1,539	49	29	0	0	0	0
170	Inservice Education - Nursing			1,539	49	29	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			1,539	49	29	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			6,156	195	116	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			6,125	194	115	0	0	0	0
083	Speech Pathology			6,125	194	115	0	0	0	0
085	Pharmacy			0	0	0	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care			225,497	7,160	4,237	17,866	28,504	1,293	3,880
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
<b>NONREIMBURSABLE</b>										
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			2,401	76	45	0	0	0	0
145	Other Nonreimbursable			26,086	828	490	0	0	0	0
	<b>TOTAL</b>	<b>\$ 363,070</b>	<b>100%</b>	<b>\$ 363,070</b>	<b>\$ 11,173</b>	<b>\$ 6,494</b>	<b>\$ 17,866</b>	<b>\$ 28,504</b>	<b>\$ 1,293</b>	<b>\$ 3,880</b>

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total	Capital Related 99% Of Total	Property Tax 1% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 359,839	99%							
	Property Tax (line 40)	3,231	1%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 20,517	\$ 20,517				
166	Medical Records				1,617		\$ 1,617			
170	Inservice Education - Nursing			\$ 1,617						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	1,617	122	10	\$ 1,749	\$ 1,733	\$ 16
077	Specialized Support Surfaces			0	0	6	0	7	6	0
080	Physical Therapy			0	6,467	2,152	170	8,789	8,711	78
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	6,435	893	70	7,398	7,332	66
083	Speech Pathology			0	6,435	114	9	6,558	6,499	58
085	Pharmacy			0	0	332	26	359	355	3
090	Laboratory			0	0	181	14	195	193	2
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	131	10	141	140	1
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
	<b>ROUTINE SERVICES</b>									
105	Skilled Nursing Care			1,617	290,055	16,196	1,276	307,527	304,790	2,737
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
	<b>NONREIMBURSABLE</b>									
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			0	2,522	55	4	2,581	2,558	23
145	Other Nonreimbursable			0	27,405	335	26	27,767	27,519	247
	<b>TOTAL</b>	\$ 363,070	100%	\$ 1,617	\$ 340,936	\$ 20,517	\$ 1,617	\$ 363,070	\$ 359,839	\$ 3,231

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Accum Costs (From Sch 2)	Accum Costs (From Sch 3)	Accum Costs (From Sch 4)	Accum Costs (From Sch 5)	Total Accum Costs	Allocated Admin. Costs	Admin. 49% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 12% of Total	Quality Assur. Fees 36% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 14,127												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	268,010												
	Total Costs Allocable as Administration	282,137	49%											
167	CDPH Licensing Fees	13,849	2%											
168	Professional Liability Insurance	70,293	12%											
169	Quality Assurance Fees	204,050	36%											
174	Caregiver Training	0	0%											
	Total	570,329	100%						\$ 570,329					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 858	\$ 17,608	\$ 1,617	\$ 20,082	3,403	\$ 1,684	\$ 83	\$ 419	\$ 1,218	\$ -
077	Specialized Support Surfaces			0	0	990	0	990	168	83	4	21	60	0
080	Physical Therapy			223,756	3,430	119,403	6,467	353,056	59,831	29,598	1,453	7,374	21,406	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			132,622	3,413	4,003	6,435	146,473	24,822	12,279	603	3,059	8,881	0
083	Speech Pathology			0	3,413	8,795	6,435	18,643	3,159	1,563	77	389	1,130	0
085	Pharmacy			0	0	54,512	0	54,512	9,238	4,570	224	1,139	3,305	0
090	Laboratory			0	0	29,672	0	29,672	5,028	2,487	122	620	1,799	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	21,487	0	21,487	3,641	1,801	88	449	1,303	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>														
105	Skilled Nursing Care			1,534,866	419,789	411,900	290,055	2,656,610	450,202	222,711	10,932	55,487	161,071	0 *
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0 *
<b>NONREIMBURSABLE</b>														
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	1,338	5,099	2,522	8,959	1,518	751	37	187	543	0
145	Other Nonreimbursable			0	14,536	13,046	27,405	54,987	9,318	4,610	226	1,148	3,334	0
	<b>SUBTOTAL</b>	\$ 570,329		\$ 1,891,244	\$ 446,778	\$ 686,514	\$ 340,936	\$ 3,365,473	\$ 570,329					
	Total Administrative Costs							\$ 570,329		\$ 282,137	\$ 13,849	\$ 70,293	\$ 204,050	\$ -
	Unit Cost Multiplier							0.16946476						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 43,744	\$ 22,558	\$ 22,134	\$ 88,435							
	<b>TOTAL FACILITY COSTS</b>							\$ 4,024,237						

\* (To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 10)	Plant Ops (SQ FT) 5 (Adj 10)	Hskpng (SQ FT) 10 (Adj 10)	Laundry (LBS) 60 (Adj 11)	Dietary (MEALS) 65 (Adj 12)	Soc Svcs (DIRECT EXP) 155 (Adj )	Activities (DIRECT EXP) 160 (Adj )	Inserv. Ed (DIRECT EXP) 170 (Adj )	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	726									
010	Housekeeping	409	409								
060	Laundry and Linen	1,105	1,105	1,105							
065	Dietary	1,763	1,763	1,763							
155	Social Services	80	80	80							
160	Activities	240	240	240							
165	Administration	1,269	1,269	1,269							
166	Medical Records	100	100	100							
170	Inservice Education - Nursing	100	100	100							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	100	100	100						20,082	20,082
077	Specialized Support Surfaces									990	990
080	Physical Therapy	400	400	400						353,056	353,056
081	Respiratory Therapy									0	0
082	Occupational Therapy	398	398	398						146,473	146,473
083	Speech Pathology	398	398	398						18,643	18,643
085	Pharmacy									54,512	54,512
090	Laboratory									29,672	29,672
095	Home Health Services									0	0
100	Other Ancillary Services									21,487	21,487
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	14,652	14,652	14,652	31,596	47,394	1,517,320	1,517,320	1,517,320	2,656,610	2,656,610
110	Intermediate Care						0	0	0	0	0
115	Mentally Disordered Care						0	0	0	0	0
120	Developmentally Disabled Care						0	0	0	0	0
125	Subacute Care						0	0	0	0	0
126	Subacute Care - Pediatric						0	0	0	0	0
128	Transitional Inpatient Care						0	0	0	0	0
130	Hospice Inpatient Care	0	0	0			0	0	0	0	0
135	Other Routine Services						0	0	0	0	0
	<b>NONREIMBURSABLE</b>										
139	Residential Care									0	0
140	Beauty and Barber	156	156	156						8,959	8,959
145	Other Nonreimbursable	1,695	1,695	1,695						54,987	54,987
	<b>TOTAL STATISTICS</b>	<b>23,591</b>	<b>22,865</b>	<b>22,456</b>	<b>31,596</b>	<b>47,394</b>	<b>1,517,320</b>	<b>1,517,320</b>	<b>1,517,320</b>	<b>3,365,473</b>	<b>3,365,473</b>
	<b>TOTAL DIRECT SALARIES COSTS - SCH. 2</b>						\$ 29,311	\$ 64,477			
	<b>UNIT COST MULTIPLIER (DIRECT SALARIES)</b>						0.019317613	0.042494003			
	<b>TOTAL INDIRECT SALARIES COSTS - SCH. 3</b>		\$ -	\$ 192,585	\$ 35,827	\$ 188,131	\$ 686	\$ 2,058	\$ 67,431	\$ 10,883	\$ 32,861
	<b>UNIT COST MULTIPLIER (INDIRECT SALARIES)</b>		0.00000000	8.57610438	1.13389655	3.96950399	0.00045217	0.00135651	0.04444060	0.00323374	0.00976404
	<b>TOTAL INDIRECT OTHER COSTS - SCH. 4</b>		\$ 147,445	\$ 28,028	\$ 33,105	\$ 179,660	\$ 616	\$ 7,092	\$ 2,414	\$ 9,767	\$ 12,791
	<b>UNIT COST MULTIPLIER (INDIRECT OTHER)</b>		6.44850208	1.24814915	1.04775287	3.79077934	0.00040580	0.00467416	0.00159074	0.00290213	0.00380056
	<b>TOTAL CAPITAL COSTS - SCH. 5</b>	\$ 363,070	\$ 11,173	\$ 6,494	\$ 17,866	\$ 28,504	\$ 1,293	\$ 3,880	\$ 1,617	\$ 20,517	\$ 1,617
	<b>UNIT COST MULTIPLIER (CAPITAL COSTS)</b>	15.39019118	0.48866297	0.28920784	0.56544210	0.60143253	0.00085245	0.00255736	0.00106557	0.00609640	0.00048041

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
005		Plant Operations and Maintenance					
005	.01-.19	Salaries and Wages	6200	\$	\$ 0	\$ 0	(Sch 3)
005	.20-.39	Fringe Benefits	6200		0	0	(Sch 3)
005	.79	Agency Staff	6200	1,550	(1,550)	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	147,445	0	147,445	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 148,995	\$ (1,550)	\$ 147,445	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 149,231	\$ 0	\$ 149,231	(Sch 3)
010	.20-.39	Fringe Benefits	6300	43,354	0	43,354	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	25,391	0	25,391	(Sch 4)
010		Housekeeping - Total	6300	\$ 217,976	\$ 0	\$ 217,976	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130		0	0	(Sch 5)
025		Depreciation: Equipment	7140		0	0	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	359,839	0	359,839	(Sch 5)
040		Property Taxes	7300	3,231	0	3,231	(Sch 5)
045		Property Insurance	7400	14,127	0	14,127	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	\$	\$ 0	\$ 0	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 744,168	\$ (1,550)	\$ 742,618	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 20,180	\$ 0	\$ 20,180	(Sch 3)
060	.20-.39	Fringe Benefits	6400	6,170	0	6,170	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	24,600	0	24,600	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 50,950	\$ 0	\$ 50,950	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 140,472	\$ 0	\$ 140,472	(Sch 3)
065	.20-.39	Fringe Benefits	6500	32,539	0	32,539	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	166,091	0	166,091	(Sch 4)
065		Dietary - Total	6500	\$ 339,102	\$ 0	\$ 339,102	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		<b>Ancillary Services</b>					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	16,838	0	16,838	(Sch 4)
075		Patient Supplies - Total	8100	\$ 16,838	\$ 0	\$ 16,838	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	\$	\$ 0	\$ 0	N/A
077	.20-.39	Fringe Benefits	8150		0	0	N/A
077	.79	Agency Staff	8150		0	0	N/A
077	.40-.99	Other - Nonlabor	8150	990	0	990	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 990	\$ 0	\$ 990	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
080		Physical Therapy					
080	.01-.19	Salaries and Wages	8200	\$ 185,663	\$ 0	\$ 185,663	(Sch 2)
080	.20-.39	Fringe Benefits	8200	38,093	0	38,093	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	116,324	0	116,324	(Sch 4)
080		Physical Therapy - Total	8200	\$ 340,080	\$ 0	\$ 340,080	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	\$	\$ 0	\$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220		0	0	(Sch 2)
081	.79	Agency Staff	8220		0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220		0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 0	\$ 0	\$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$ 110,044	\$ 0	\$ 110,044	(Sch 2)
082	.20-.39	Fringe Benefits	8250	22,578	0	22,578	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	940	0	940	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 133,562	\$ 0	\$ 133,562	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$	\$ 0	\$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280		0	0	(Sch 2)
083	.79	Agency Staff	8280		0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	5,732	0	5,732	(Sch 4)
083		Speech Pathology - Total	8280	\$ 5,732	\$ 0	\$ 5,732	
085		Pharmacy					
085	.01-.19	Salaries and Wages	8300	\$	\$ 0	\$ 0	(Sch 2)
085	.20-.39	Fringe Benefits	8300		0	0	(Sch 2)
085	.79	Agency Staff	8300		0	0	(Sch 2)
085	.40-.99	Other - Nonlabor	8300	54,512	0	54,512	(Sch 4)
085		Pharmacy - Total	8300	\$ 54,512	\$ 0	\$ 54,512	
090		Laboratory					
090	.01-.19	Salaries and Wages	8400	\$	\$ 0	\$ 0	(Sch 2)
090	.20-.39	Fringe Benefits	8400		0	0	(Sch 2)
090	.79	Agency Staff	8400		0	0	(Sch 2)
090	.40-.99	Other - Nonlabor	8400	29,672	0	29,672	(Sch 4)
090		Laboratory - Total	8400	\$ 29,672	\$ 0	\$ 29,672	
095		Home Health Services					
095	.01-.19	Salaries and Wages	8800	\$	\$ 0	\$ 0	(Sch 2)
095	.20-.39	Fringe Benefits	8800		0	0	(Sch 2)
095	.79	Agency Staff	8800		0	0	(Sch 2)
095	.40-.99	Other - Nonlabor	8800		0	0	(Sch 4)
095		Home Health Services - Total	8800	\$ 0	\$ 0	\$ 0	
100		Other Ancillary Services					
100	.01-.19	Salaries and Wages	8900	\$	\$ 0	\$ 0	(Sch 2)
100	.20-.39	Fringe Benefits	8900		0	0	(Sch 2)
100	.79	Agency Staff	8900		0	0	(Sch 2)
100	.40-.99	Other - Nonlabor	8900	21,487	0	21,487	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 21,487	\$ 0	\$ 21,487	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
101		Subacute Care Ancillary Services					
101	.01-.19	Salaries and Wages	8100-8900	\$	\$ 0	\$ 0	(Sch 2)
101	.20-.39	Fringe Benefits	8100-8900		0	0	(Sch 2)
101	.79	Agency Staff	8100-8900		0	0	(Sch 2)
101	.40-.99	Other - Nonlabor	8100-8900		0	0	(Sch 4)
101		Subacute Care Ancillary Services - Total	8100-8900	\$ 0	\$ 0	\$ 0	
102		Subacute Care - Pediatric Ancillary Services					
102	.01-.19	Salaries and Wages	8100-8900	\$	\$ 0	\$ 0	(Sch 2)
102	.20-.39	Fringe Benefits	8100-8900		0	0	(Sch 2)
102	.79	Agency Staff	8100-8900		0	0	(Sch 2)
102	.40-.99	Other - Nonlabor	8100-8900		0	0	(Sch 4)
102		Subacute Care - Pediatric Ancillary Services - Total	8100-8900	\$ 0	\$ 0	\$ 0	
104		Subtotal 075 - 102		\$ 602,873	\$ 0	\$ 602,873	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,040,245	\$ 105,158	\$ 1,145,403	(Sch 2)
105	.20-.39	Fringe Benefits	6110	262,959	32,716	295,675	(Sch 2)
105	.49	Agency Staff	6110	1,833	(1,833)	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	69,448	6,794	76,242	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 1,374,485	\$ 142,835	\$ 1,517,320	
110		Intermediate Care					
110	.01-.19	Salaries and Wages	6120	\$	\$ 0	\$ 0	
110	.20-.39	Fringe Benefits	6120		0	0	
110	.49	Agency Staff	6120		0	0	
110	.40-.99	Other - Nonlabor	6120		0	0	
110		Intermediate Care - Total	6120	\$ 0	\$ 0	\$ 0	(Sch 2)
115		Mentally Disordered Care					
115	.01-.19	Salaries and Wages	6130	\$	\$ 0	\$ 0	
115	.20-.39	Fringe Benefits	6130		0	0	
115	.49	Agency Staff	6130		0	0	
115	.40-.99	Other - Nonlabor	6130		0	0	
115		Mentally Disordered Care - Total	6130	\$ 0	\$ 0	\$ 0	(Sch 2)
120		Developmentally Disabled Care					
120	.01-.19	Salaries and Wages	6140	\$	\$ 0	\$ 0	
120	.20-.39	Fringe Benefits	6140		0	0	
120	.49	Agency Staff	6140		0	0	
120	.40-.99	Other - Nonlabor	6140		0	0	
120		Developmentally Disabled Care - Total	6140	\$ 0	\$ 0	\$ 0	(Sch 2)
125		Subacute Care					
125	.01-.19	Salaries and Wages	6150	\$	\$ 0	\$ 0	(Sch 2)
125	.20-.39	Fringe Benefits	6150		0	0	(Sch 2)
125	.49	Agency Staff	6150		0	0	(Sch 2)
125	.40-.99	Other - Nonlabor	6150		0	0	(Sch 4)
125		Subacute Care - Total	6150	\$ 0	\$ 0	\$ 0	
126		Subacute Care - Pediatric					
126	.01-.19	Salaries and Wages	6160	\$	\$ 0	\$ 0	(Sch 2)
126	.20-.39	Fringe Benefits	6160		0	0	(Sch 2)
126	.49	Agency Staff	6160		0	0	(Sch 2)
126	.40-.99	Other - Nonlabor	6160		0	0	(Sch 4)
126		Subacute Care - Pediatric - Total	6160	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED
128		Transitional Inpatient Care				
128	.01-.19	Salaries and Wages	6170	\$	\$ 0	\$ 0
128	.20-.39	Fringe Benefits	6170		0	0
128	.49	Agency Staff	6170		0	0
128	.40-.99	Other - Nonlabor	6170		0	0
128		Transitional Inpatient Care - Total	6170	\$ 0	\$ 0	\$ 0 (Sch 2)
130		Hospice Inpatient Care				
130	.01-.19	Salaries and Wages	6180	\$ 105,158	\$ (105,158)	\$ 0
130	.20-.39	Fringe Benefits	6180	32,716	(32,716)	0
130	.49	Agency Staff	6180		0	0
130	.40-.99	Other - Nonlabor	6180	6,794	(6,794)	0
130		Hospice Inpatient Care - Total	6180	\$ 144,668	\$ (144,668)	\$ 0 (Sch 2)
135		Other Routine Services				
135	.01-.19	Salaries and Wages	6190	\$	\$ 0	\$ 0
135	.20-.39	Fringe Benefits	6190		0	0
135	.49	Agency Staff	6190		0	0
135	.40-.99	Other - Nonlabor	6190		0	0
135		Other Routine Services - Total	6190	\$ 0	\$ 0	\$ 0 (Sch 2)
		<b>Other Nonreimbursable</b>				
139		Residential Care				
139	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0 (Sch 2)
139	.20-.39	Fringe Benefits	9100		0	0 (Sch 2)
139	.49	Agency Staff	9100		0	0 (Sch 2)
139	.40-.99	Other - Nonlabor	9100		0	0 (Sch 4)
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0
140		Beauty and Barber				
140	.01-.19	Salaries and Wages	8900	\$	\$ 0	\$ 0 (Sch 2)
140	.20-.39	Fringe Benefits	8900		0	0 (Sch 2)
140	.49	Agency Staff	8900		0	0 (Sch 2)
140	.40-.99	Other - Nonlabor	8900	3,898	0	3,898 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 3,898	\$ 0	\$ 3,898
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0 (Sch 2)
145	.20-.39	Fringe Benefits	9100		0	0 (Sch 2)
145	.49	Agency Staff	9100		0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100		0	0 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
146		<b>Subtotal 105 - 145</b>		\$ 1,523,051	\$ (1,833)	\$ 1,521,218
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 20,899	\$ 0	\$ 20,899 (Sch 2)
155	.20-.39	Fringe Benefits	6600	8,412	0	8,412 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600		0	0 (Sch 4)
155		Social Services - Total	6600	\$ 29,311	\$ 0	\$ 29,311

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
CHAPMAN CONVALESCENT HOSPITAL

Fiscal Period:  
MARCH 1, 2010 THROUGH FEBRUARY 28, 2011

Provider NPI:  
1295772531

OSHPD Facility Number:  
206331139

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
160		Activities					
160	.01-.19	Salaries and Wages	6700	\$ 50,712	\$ 0	\$ 50,712	(Sch 2)
160	.20-.39	Fringe Benefits	6700	13,765	0	13,765	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	5,245	0	5,245	(Sch 4)
160		Activities - Total	6700	\$ 69,722	\$ 0	\$ 69,722	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 173,517	\$ 0	\$ 173,517	(Sch 6)
165	.20-.39	Fringe Benefits	6900	42,972	0	42,972	(Sch 6)
165	.49	Agency Staff	6900	3,038	(3,038)	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	485,912	(434,391)	51,521	(Sch 6)
165		Administration - Total	6900	\$ 705,439	\$ (437,429)	\$ 268,010	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 28,085	\$ 0	\$ 28,085	(Sch 3)
166	.20-.39	Fringe Benefits	6900	3,918	0	3,918	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	12,021	0	12,021	(Sch 4)
166		Medical Records - Total	6900	\$ 44,024	\$ 0	\$ 44,024	
167		CDPH Licensing Fees	6900	\$ 13,849	\$ 0	\$ 13,849	(Sch 6)
168		Professional Liability Insurance	6900	\$ 70,293	\$ 0	\$ 70,293	(Sch 6)
169		Quality Assurance Fees	6900	\$ 204,050	\$ 0	\$ 204,050	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 49,438	\$ 0	\$ 49,438	(Sch 3)
170	.20-.39	Fringe Benefits	6800	17,135	0	17,135	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	1,644	0	1,644	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 68,217	\$ 0	\$ 68,217	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900		0	0	(Sch 6)
174	.49	Agency Staff	6900		0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900		0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		<b>Subtotal 155 - 174</b>		\$ 1,204,905	\$ (437,429)	\$ 767,476	
200		<b>Total</b>		\$ 4,465,049	\$ (440,812)	\$ 4,024,237	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 0	
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\* For informational purposes only, this amount is included in various cost centers above.

















Provider Name							Fiscal Period	Provider NPI	Adjustments		
CHAPMAN CONVALESCENT HOSPITAL							MARCH 1, 2010 THROUGH FEBRUARY 28, 2011	1295772531	14		
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>											
1	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$1,040,245	\$105,158	\$1,145,403	
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefit:	262,959	32,716	295,675	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabo	69,448	6,794	76,242	
	10.5	130	1	8A-1	130	1	Hospice Inpatient Care - Salaries and Wage	105,158	(105,158)	0	
	10.5	130	2	8A-1	130	2	Hospice Inpatient Care - Fringe Benefits	32,716	(32,716)	0	
	10.5	130	4	8A-1	130	4	Hospice Inpatient Care - Other - Nonlabor	6,794	(6,794)	0	
To reclassify hospice inpatient care expenses to the skilled nursing unit for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304											

Provider Name							Fiscal Period	Provider NPI		Adjustments
CHAPMAN CONVALESCENT HOSPITAL							MARCH 1, 2010 THROUGH FEBRUARY 28, 2011	1295772531		14
Report References										
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
2	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate management fees due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$485,912	(\$303,500)	\$182,412 *
3	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate board meeting fees due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$182,412	(\$4,400)	\$178,012 *
4	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate legal fees due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$178,012	(\$33,089)	\$144,923 *
5	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate accounting expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$144,923	(\$34,098)	\$110,825 *
6	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate supplies expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$110,825	(\$34,506)	\$76,319 *
7	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate equipment expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* \$76,319	(\$8,148)	\$68,171 *

Provider Name							Fiscal Period	Provider NPI		Adjustments	
CHAPMAN CONVALESCENT HOSPITAL							MARCH 1, 2010 THROUGH FEBRUARY 28, 2011	1295772531		14	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>											
8	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate purchase services expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$68,171	(\$16,650)	\$51,521
9	10.5	005	3	8A-1	005	3	Plant Operations and Maintenance - Agency Staff		\$1,550	(\$1,550)	\$0
	10.5	105	3	8A-1	105	3	Skilled Nursing Care - Agency Staff		1,833	(1,833)	0
	10.5	165	3	8A-1	165	3	Administration - Agency Staff To eliminate contract labor expense due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		3,038	(3,038)	0

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
CHAPMAN CONVALESCENT HOSPITAL							MARCH 1, 2010 THROUGH FEBRUARY 28, 2011		1295772531		14
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<b><u>ADJUSTMENTS TO REPORTED STATISTICS</u></b>											
10	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care (Square Feet)	14,470	182	14,652	
	10.7	130	1,2,3	7	130	N/A	Hospice Inpatient Care	182	(182)	0	
							To reclassify hospice inpatient care statistics to the skilled nursing unit in conjunction with adjustment one.				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300 and 2304				
11	10.7	105	4	7	105	N/A	Skilled Nursing Care (Pounds of Laundry)	0	31,596	31,596	
	10.7	175	4	7	N/A	N/A	Total - Pounds of Laundry	0	31,596	31,596	
							To adjust laundry statistics to agree with the provider's records in order to properly allocate indirect costs.				
							42 CFR 413.24 and 413.50				
							CMS Pub. 15-1, Sections 2304 and 2306				
12	10.7	105	5	7	105	N/A	Skilled Nursing Care (Meals Served)	0	47,394	47,394	
	10.7	175	5	7	N/A	N/A	Total - Meals Served	0	47,394	47,394	
							To adjust dietary statistics to agree with the provider's records in order to properly allocate indirect costs.				
							42 CFR 413.24 and 413.50				
							CMS Pub. 15-1, Sections 2304 and 2306				

Provider Name							Fiscal Period		Provider NPI		Adjustments
CHAPMAN CONVALESCENT HOSPITAL							MARCH 1, 2010 THROUGH FEBRUARY 28, 2011		1295772531		14
Report References							Explanation of Audit Adjustments				
Cost Report				Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<b><u>ADJUSTMENTS TO REPORTED PATIENT DAYS</u></b>											
13	4.1	5	6	1	12	N/A	Total Patient Days	15,798	573	16,371	
	4.1	40	6	1	54	N/A	Hospice Inpatient Care - Total	573	(573)	0	
							To reclassify hospice inpatient care days to the skilled nursing unit in conjunction with adjustment one. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Section 2336.1				

Provider Name							Fiscal Period		Provider NPI		Adjustments
CHAPMAN CONVALESCENT HOSPITAL							MARCH 1, 2010 THROUGH FEBRUARY 28, 2011		1295772531		14
Report References							Explanation of Audit Adjustments				
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	As Reported	Increase (Decrease)	As Adjusted		
<b><u>ADJUSTMENT TO REPORTED PATIENT DAYS</u></b>											
14	4.1	5	2	1	15	N/A	Medi-Cal Days	9,861	(3,665)	6,196	
							To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: March 1, 2010 through February 28, 2011 Payment Period: March 1, 2010 through September 30, 2012 Report Date: October 26, 2012 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541				