

**REPORT
ON THE
RATE SETTING AUDIT**

**ALDERSON CONVALESCENT HOSPITAL
WOODLAND, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1720071954**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2011**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Kelly Ostrom
Auditor: Phil Perrone**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 26, 2013

Santiago Miguel, Administrator
Alderson Convalescent Hospital
124 Walnut Street
Woodland, CA 95695

ALDERSON CONVALESCENT HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1720071954
FISCAL PERIOD ENDED SEPTEMBER 30, 2011

We have examined the facility's Integrated Disclosure and Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from patient share of cost. 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, patient days, and use of share of cost 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 that include a summary of the total due the State in the amount of \$3,601, which resulted from Medi-Cal overpayments

The audit settlement will be incorporated into a Statements of Account Status, which may reflect tentative retroactive adjustment determinations, payments from the provider, and other financial transactions initiated by the Department. The Statements of Account Status will be forwarded to the provider by the State's fiscal intermediary. Instructions regarding payment will be included with the Statements of Account Status.

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 Rates 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.

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—Sacramento at (916) 650-6994.

Original Signed By

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

Certified

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility No.:
206572209

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
SKILLED NURSING CARE				
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	\$ N/A	\$ 4,283,866	\$ 98.40
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 1,210,888	\$ 27.81
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 1,093,227	\$ 25.11
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 204,702	\$ 4.70
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 21,848	\$ 0.50
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 36,072	\$ 0.83
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 96,087	\$ 2.21
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 510,960	\$ 11.74
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 622,959	\$ 14.31
11	Cost of Routine Service/Audited Total Costs	\$ 8,252,820.00	\$ 8,080,607	\$ 185.61
12	Total Patient Days (Adj)	43,535	43,535	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 189.57	\$ 185.61	
14	Overpayments (Adj 28)	\$ 0	\$ 3,601	
15	Medi-Cal Days (Adj 26)	35,072	1,064	
16	Medi-Cal Managed Care Days (Adj 27)		34,008	
INTERMEDIATE CARE				
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
18	Total Patient Days (Adj)		0	
19	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
20	Overpayments (Adj)	\$	\$ 0	
MENTALLY DISORDERED CARE				
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
22	Total Patient Days (Adj)		0	
23	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
24	Overpayments (Adj)	\$	\$ 0	
DEVELOPMENTALLY DISABLED CARE				
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
26	Total Patient Days (Adj)		0	
27	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
28	Overpayments (Adj)	\$	\$ 0	
SUBACUTE CARE				
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:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility No.:
206572209

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
SUBACUTE CARE - PEDIATRIC				
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	
TRANSITIONAL INPATIENT CARE				
49	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
50	Total Patient Days (Adj)		0	
51	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
52	Overpayments (Adj)	\$	\$ 0	
HOSPICE INPATIENT CARE				
53	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
54	Total Patient Days (Adj)		0	
55	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
56	Overpayments (Adj)	\$	\$ 0	
OTHER ROUTINE SERVICES				
57	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
58	Total Patient Days (Adj)		0	
59	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
60	Overpayments (Adj)	\$	\$ 0	

ALLOCATION OF GENERAL SERVICES
DIRECT CARE LABOR

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility No.:
206572209

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Svcs	Activities	Total
			155	160	
GENERAL SERVICES					
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 94,359	\$ 94,359		
160	Activities	118,466		\$ 118,466	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
ANCILLARY SERVICES					
075	Patient Supplies	0	0	0	0
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	264,191	0	0	264,191
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	196,155	0	0	196,155
083	Speech Pathology	13,647	0	0	13,647
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
ROUTINE SERVICES					
105	Skilled Nursing Care	4,071,041	94,359	118,466	4,283,866 *
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 *
NONREIMBURSABLE					
139	Residential Care	0	0	0	0
140	Beauty and Barber	0	0	0	0
145	Other Nonreimbursable	0	0	0	0
	TOTAL	\$ 4,757,859	\$ 94,359	\$ 118,466	\$ 4,757,859

* (To Schedule 1)

**ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR**

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 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
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 205,931	\$ 205,931										
010	Housekeeping	178,588	4,264	\$ 182,852									
060	Laundry and Linen	180,328	18,825	17,068	\$ 216,221								
065	Dietary	372,219	12,724	11,537	0	\$ 396,480							
155	Social Services	N/A	1,257	1,140	0	0	\$ 2,397						
160	Activities	N/A	0	0	0	0	0	\$ -					
165	Administration	N/A	27,739	25,151	0	0	0	0		\$ 52,890	\$ 52,890		
166	Medical Records	176,545	0	0	0	0	0	0		176,545		\$ 176,545	
170	Inservice Education - Nursing	140,406	0	0	0	0	0	0	\$ 140,406				
ANCILLARY SERVICES													
075	Patient Supplies		4,390	3,980	0	0	0	0	0	8,370	387	1,292	\$ 10,049
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		3,945	3,577	0	0	0	0	0	7,522	2,057	6,866	16,444
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		0	0	0	0	0	0	0	0	1,425	4,758	6,183
083	Speech Pathology		0	0	0	0	0	0	0	0	99	331	430
085	Pharmacy		532	482	0	0	0	0	0	1,014	996	3,326	5,336
090	Laboratory		0	0	0	0	0	0	0	0	82	275	357
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	237	793	1,030
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
ROUTINE SERVICES													
105	Skilled Nursing Care		130,806	118,602	216,221	396,480	2,397	0	140,406	1,004,912	47,482	158,494	1,210,888 *
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 *
NONREIMBURSABLE													
139	Residential Care		0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber		1,450	1,315	0	0	0	0	0	2,765	123	410	3,299
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 1,254,017	\$ 205,931	\$ 182,852	\$ 216,221	\$ 396,480	\$ 2,397	\$ -	\$ 140,406	\$ 1,024,582	\$ 52,890	\$ 176,545	\$ 1,254,017

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 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
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 265,844	\$ 265,844										
010	Housekeeping	72,156	5,504	\$ 77,660									
060	Laundry and Linen	62,004	24,302	7,249	\$ 93,555								
065	Dietary	418,101	16,426	4,900	0	\$ 439,427							
155	Social Services	55	1,623	484	0	0	\$ 2,162						
160	Activities	8,489	0	0	0	0	0	\$ 8,489					
165	Administration	N/A	35,809	10,682	0	0	0	0		\$ 46,492	\$ 46,492		
166	Medical Records	2,840	0	0	0	0	0	0		2,840		\$ 2,840	
170	Inservice Education - Nursing	790	0	0	0	0	0	0	\$ 790				
ANCILLARY SERVICES													
075	Patient Supplies	32,285	5,667	1,690	0	0	0	0	0	39,642	340	21	\$ 40,003
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	0	5,092	1,519	0	0	0	0	0	6,612	1,808	110	8,530
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	0	0	0	0	0	0	0	0	0	1,253	77	1,329
083	Speech Pathology	0	0	0	0	0	0	0	0	0	87	5	92
085	Pharmacy	134,560	686	205	0	0	0	0	0	135,451	876	53	136,381
090	Laboratory	11,335	0	0	0	0	0	0	0	11,335	72	4	11,412
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	32,683	0	0	0	0	0	0	0	32,683	209	13	32,905
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
ROUTINE SERVICES													
105	Skilled Nursing Care	285,282	168,863	50,372	93,555	439,427	2,162	8,489	790	1,048,939	41,738	2,550	1,093,227
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
NONREIMBURSABLE													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	9,984	1,872	558	0	0	0	0	0	12,415	108	7	12,529
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 1,336,408	\$ 265,844	\$ 77,660	\$ 93,555	\$ 439,427	\$ 2,162	\$ 8,489	\$ 790	\$ 1,287,076	\$ 46,492	\$ 2,840	\$ 1,336,408

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

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
GENERAL SERVICES										
	Capital Related (excluding lines 40 & 45)	\$ 218,984	90%							
	Property Tax (line 40)	23,372	10%	\$ 242,356						
005	Plant Operations and Maintenance			16,302	\$ 16,302					
010	Housekeeping			4,680	338	\$ 5,018				
060	Laundry and Linen			20,664	1,490	468	\$ 22,623			
065	Dietary			13,967	1,007	317	0	\$ 15,291		
155	Social Services			1,380	100	31	0	0	\$ 1,511	
160	Activities			0	0	0	0	0	0	\$ -
165	Administration			30,450	2,196	690	0	0	0	0
166	Medical Records			0	0	0	0	0	0	0
170	Inservice Education - Nursing			0	0	0	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			4,818	347	109	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			4,330	312	98	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	0	0	0	0	0	0
083	Speech Pathology			0	0	0	0	0	0	0
085	Pharmacy			584	42	13	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
ROUTINE SERVICES										
105	Skilled Nursing Care			143,588	10,355	3,255	22,623	15,291	1,511	0
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
NONREIMBURSABLE										
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			1,592	115	36	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 242,356	100%	\$ 242,356	\$ 16,302	\$ 5,018	\$ 22,623	\$ 15,291	\$ 1,511	\$ -

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

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 90% Of Total	Property Tax 10% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 218,984	90%							
	Property Tax (line 40)	23,372	10%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 33,336	\$ 33,336				
166	Medical Records				0		\$ -			
170	Inservice Education - Nursing			\$ -						
	ANCILLARY SERVICES									
075	Patient Supplies			0	5,275	244	0	\$ 5,519	\$ 4,987	\$ 532
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	4,741	1,296	0	6,037	5,455	582
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	0	898	0	898	812	87
083	Speech Pathology			0	0	63	0	63	56	6
085	Pharmacy			0	639	628	0	1,267	1,145	122
090	Laboratory			0	0	52	0	52	47	5
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	150	0	150	135	14
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
	ROUTINE SERVICES									
105	Skilled Nursing Care			0	196,622	29,927	0	226,550	204,702	21,848
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
	NONREIMBURSABLE									
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			0	1,743	78	0	1,820	1,645	176
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 242,356	100%	\$ -	\$ 209,020	\$ 33,336	\$ -	\$ 242,356	\$ 218,984	\$ 23,372

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 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 3% of Total	Professional Liability Ins. 8% of Total	Quality Assur. Fees 40% of Total	Caregiver Training 0% of Total
GENERAL SERVICES														
045	Property Insurance	\$ 30,113												
055	Interest - Other	12,814												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	650,981												
	Total Costs Allocable as Administration	693,908	49%											
167	CDPH Licensing Fees	40,180	3%											
168	Professional Liability Insurance	107,030	8%											
169	Quality Assurance Fees	569,153	40%											
174	Caregiver Training	0	0%											
	Total	1,410,271	100%						\$ 1,410,271					
ANCILLARY SERVICES														
075	Patient Supplies			\$ -	\$ 8,370	\$ 39,642	\$ 5,275	\$ 53,287	10,325	\$ 5,080	\$ 294	\$ 784	\$ 4,167	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			264,191	7,522	6,612	4,741	283,065	54,846	26,986	1,563	4,162	22,135	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			196,155	0	0	0	196,155	38,006	18,701	1,083	2,884	15,339	0
083	Speech Pathology			13,647	0	0	0	13,647	2,644	1,301	75	201	1,067	0
085	Pharmacy			0	1,014	135,451	639	137,104	26,565	13,071	757	2,016	10,721	0
090	Laboratory			0	0	11,335	0	11,335	2,196	1,081	63	167	886	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	32,683	0	32,683	6,333	3,116	180	481	2,556	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
ROUTINE SERVICES														
105	Skilled Nursing Care			4,283,866	1,004,912	1,048,939	196,622	6,534,339	1,266,077	622,959	36,072	96,087	510,960	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
NONREIMBURSABLE														
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	2,765	12,415	1,743	16,923	3,279	1,613	93	249	1,323	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	\$ 1,410,271		\$ 4,757,859	\$ 1,024,582	\$ 1,287,076	\$ 209,020	\$ 7,278,537	\$ 1,410,271					
	Total Administrative Costs							\$ 1,410,271		\$ 693,908	\$ 40,180	\$ 107,030	\$ 569,153	\$ -
	Unit Cost Multiplier							0.19375748						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 229,435	\$ 49,332	\$ 33,336	\$ 312,103							
	TOTAL FACILITY COSTS							\$ 9,000,911						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj)	Plant Ops (SQ FT) 5 (Adj 25)	Hskpng (SQ FT) 10 (Adj 25)	Laundry (LBS) 60 (Adj)	Dietary (MEALS) 65 (Adj)	Soc Srvs (DIRECT EXP) 155 (Adj)	Activities (DIRECT EXP) 160 (Adj)	Inserv. Ed (DIRECT EXP) 170 (Adj)	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	GENERAL SERVICES										
005	Plant Operations and Maintenance	1,536									
010	Housekeeping	441	441								
060	Laundry and Linen	1,947	1,947	1,947							
065	Dietary	1,316	1,316	1,316							
155	Social Services	130	130	130							
160	Activities										
165	Administration	2,869	2,869	2,869							
166	Medical Records										
170	Inservice Education - Nursing										
	ANCILLARY SERVICES										
075	Patient Supplies	454	454	454						53,287	53,287
077	Specialized Support Surfaces									0	0
080	Physical Therapy	408	408	408						283,065	283,065
081	Respiratory Therapy									0	0
082	Occupational Therapy									196,155	196,155
083	Speech Pathology									13,647	13,647
085	Pharmacy	55	55	55						137,104	137,104
090	Laboratory									11,335	11,335
095	Home Health Services									0	0
100	Other Ancillary Services									32,683	32,683
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	13,529	13,529	13,529	216,780	130,068	4,356,323	4,356,323	4,356,323	6,534,339	6,534,339
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
135	Other Routine Services						0	0	0	0	0
	NONREIMBURSABLE										
139	Residential Care									0	0
140	Beauty and Barber	150	150	150						16,923	16,923
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	22,835	21,299	20,858	216,780	130,068	4,356,323	4,356,323	4,356,323	7,278,537	7,278,537
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 94,359 0.02166024	\$ 118,466 0.027194035			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 205,931 9.66857599	\$ 182,852 8.76650887	\$ 216,221 0.99742186	\$ 396,480 3.04824839	\$ 2,397 0.00055013	\$ - 0.00000000	\$ 140,406 0.03223039	\$ 52,890 0.00726661	\$ 176,545 0.02425556
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 265,844 12.48152495	\$ 77,660 3.72328855	\$ 93,555 0.43156551	\$ 439,427 3.37843693	\$ 2,162 0.00049620	\$ 8,489 0.00194866	\$ 790 0.00018135	\$ 46,492 0.00638749	\$ 2,840 0.00039019
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 242,356 10.61335669	\$ 16,302 0.76539349	\$ 5,018 0.24058054	\$ 22,623 0.10435851	\$ 15,291 0.11756189	\$ 1,511 0.00034674	\$ - 0.00000000	\$ - 0.00000000	\$ 33,336 0.00458002	\$ - 0.00000000

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

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	\$ 166,778	\$ (17,250)	\$ 149,528	(Sch 3)
005	.20-.39	Fringe Benefits	6200	56,403	0	56,403	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	265,844	0	265,844	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 489,025	\$ (17,250)	\$ 471,775	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 132,514	\$ 0	\$ 132,514	(Sch 3)
010	.20-.39	Fringe Benefits	6300	46,074	0	46,074	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	72,156	0	72,156	(Sch 4)
010		Housekeeping - Total	6300	\$ 250,744	\$ 0	\$ 250,744	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 1,252	\$ 0	\$ 1,252	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	5,677	0	5,677	(Sch 5)
025		Depreciation: Equipment	7140	73,389	0	73,389	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	19,260	33,982	53,242	(Sch 5)
040		Property Taxes	7300	23,372	0	23,372	(Sch 5)
045		Property Insurance	7400	30,113	0	30,113	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500	77,810	7,614	85,424	(Sch 6)
055		Interest - Other	7600	\$ 27,694	\$ (14,880)	\$ 12,814	(Sch 6)
057		Subtotal 005 - 055		\$ 998,336	\$ 9,466	\$ 1,007,802	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 131,026	\$ 0	\$ 131,026	(Sch 3)
060	.20-.39	Fringe Benefits	6400	49,302	0	49,302	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	62,004	0	62,004	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 242,332	\$ 0	\$ 242,332	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 289,483	\$ 0	\$ 289,483	(Sch 3)
065	.20-.39	Fringe Benefits	6500	82,736	0	82,736	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	418,101	0	418,101	(Sch 4)
065		Dietary - Total	6500	\$ 790,320	\$ 0	\$ 790,320	
070		Provision for Bad Debts	7700	\$ 0	0	\$ 0	
		Ancillary Services					
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	32,285	0	32,285	(Sch 4)
075		Patient Supplies - Total	8100	\$ 32,285	\$ 0	\$ 32,285	
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		0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

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	\$	\$ 0	\$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200		0	0	(Sch 2)
080	.79	Agency Staff	8200	264,191	0	264,191	(Sch 2)
080	.40-.99	Other - Nonlabor	8200		0	0	(Sch 4)
080		Physical Therapy - Total	8200	\$ 264,191	\$ 0	\$ 264,191	
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	\$	\$ 0	\$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250		0	0	(Sch 2)
082	.79	Agency Staff	8250	196,155	0	196,155	(Sch 2)
082	.40-.99	Other - Nonlabor	8250		0	0	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 196,155	\$ 0	\$ 196,155	
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	13,647	0	13,647	(Sch 2)
083	.40-.99	Other - Nonlabor	8280		0	0	(Sch 4)
083		Speech Pathology - Total	8280	\$ 13,647	\$ 0	\$ 13,647	
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	134,560	0	134,560	(Sch 4)
085		Pharmacy - Total	8300	\$ 134,560	\$ 0	\$ 134,560	
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	11,335	0	11,335	(Sch 4)
090		Laboratory - Total	8400	\$ 11,335	\$ 0	\$ 11,335	
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	32,683	0	32,683	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 32,683	\$ 0	\$ 32,683	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

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		\$ 684,856	\$ 0	\$ 684,856	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 3,211,683	\$ 0	\$ 3,211,683	(Sch 2)
105	.20-.39	Fringe Benefits	6110	859,358	0	859,358	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	285,282	0	285,282	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 4,356,323	\$ 0	\$ 4,356,323	
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:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

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	\$	\$ 0	\$ 0	
130	.20-.39	Fringe Benefits	6180		0	0	
130	.49	Agency Staff	6180		0	0	
130	.40-.99	Other - Nonlabor	6180		0	0	
130		Hospice Inpatient Care - Total	6180	\$ 0	\$ 0	\$ 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)
		Other Nonreimbursable					
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	8,430	1,554	9,984	(Sch 4)
140		Beauty and Barber - Total	8900	\$ 8,430	\$ 1,554	\$ 9,984	
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		Subtotal 105 - 145		\$ 4,364,753	\$ 1,554	\$ 4,366,307	
155		Social Services					
155	.01-.19	Salaries and Wages	6600	\$ 72,009	\$ 0	\$ 72,009	(Sch 2)
155	.20-.39	Fringe Benefits	6600	22,350	0	22,350	(Sch 2)
155	.49	Agency Staff	6600		0	0	(Sch 2)
155	.40-.99	Other - Nonlabor	6600	1,609	(1,554)	55	(Sch 4)
155		Social Services - Total	6600	\$ 95,968	\$ (1,554)	\$ 94,414	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

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	\$ 85,539	\$ 0	\$ 85,539	(Sch 2)
160	.20-.39	Fringe Benefits	6700	32,927	0	32,927	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	8,489	0	8,489	(Sch 4)
160		Activities - Total	6700	\$ 126,955	\$ 0	\$ 126,955	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 363,930	\$ (34,500)	\$ 329,430	(Sch 6)
165	.20-.39	Fringe Benefits	6900	155,779	(42,604)	113,175	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	264,009	(55,633)	208,376	(Sch 6)
165		Administration - Total	6900	\$ 783,718	\$ (132,737)	\$ 650,981	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 123,627	\$ 0	\$ 123,627	(Sch 3)
166	.20-.39	Fringe Benefits	6900	52,918	0	52,918	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	2,840	0	2,840	(Sch 4)
166		Medical Records - Total	6900	\$ 179,385	\$ 0	\$ 179,385	
167		CDPH Licensing Fees	6900	\$ 40,180	\$ 0	\$ 40,180	(Sch 6)
168		Professional Liability Insurance	6900	\$ 107,030	\$ 0	\$ 107,030	(Sch 6)
169		Quality Assurance Fees	6900	\$ 569,153	\$ 0	\$ 569,153	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 113,246	\$ 0	\$ 113,246	(Sch 3)
170	.20-.39	Fringe Benefits	6800	27,160	0	27,160	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	790	0	790	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 141,196	\$ 0	\$ 141,196	
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	
		Subtotal 155 - 174		\$ 2,043,585	\$ (134,291)	\$ 1,909,294	
200		Total		\$ 9,124,182	\$ (123,271)	\$ 9,000,911	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 343,143	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Provider NPI:
1720071954

OSHPD Facility Number: 206572209
Fiscal Period: OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Line No.	Sub No.	Description	TOTAL ADJ (Pages 1, 2, & 3)	AUDIT ADJ 1B	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ 7	AUDIT ADJ 8
174	3	Caregiver Training - Agency Staff	0								
174	4	Caregiver Training - Other - Nonlabor	0								
200		Total	(\$123,271) (To Sch 8)	0	0	0	(17,250)	(4,595)	(2,333)	(338)	(34,500)

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Line No.	Sub No.		AUDIT ADJ 9	AUDIT ADJ 10	AUDIT ADJ 11	AUDIT ADJ 12	AUDIT ADJ 13	AUDIT ADJ 14	AUDIT ADJ 15	AUDIT ADJ 16	AUDIT ADJ 17
174	3	Caregiver Training - Agency Staff									
174	4	Caregiver Training - Other - Nonlabor									
200		Total	<u>(27,786)</u>	<u>(8,004)</u>	<u>(6,140)</u>	<u>(674)</u>	<u>(7,444)</u>	<u>(3,889)</u>	<u>(2,500)</u>	<u>(2,065)</u>	<u>(1,357)</u>

Provider Name:
ALDERSON CONVALESCENT HOSPITAL

Provider NPI:
1720071954

OSHPD Facility Number:
206572209

Fiscal Period:
OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011

Line No.	Sub No.		AUDIT ADJ 18	AUDIT ADJ 19	AUDIT ADJ 20	AUDIT ADJ 21	AUDIT ADJ 22	AUDIT ADJ 23	AUDIT ADJ 24	AUDIT ADJ	AUDIT ADJ
174	3	Caregiver Training - Agency Staff									
174	4	Caregiver Training - Other - Nonlabor									
200		Total	<u>(1,170)</u>	<u>(1,050)</u>	<u>(704)</u>	<u>(517)</u>	<u>(340)</u>	<u>(315)</u>	<u>(300)</u>	<u>0</u>	<u>0</u>

Provider Name							Fiscal Period			Provider NPI		Adjustments
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011			1720071954		28
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						
<u>MEMORANDUM ADJUSTMENT</u>												
1A	Not Reported			8	210	N/A	Group Health Insurance To include Group Health Insurance in the audit for informational purposes only. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			\$0	\$343,143	\$343,143

Provider Name							Fiscal Period	Provider NPI	Adjustments	
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1720071954	28	
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				
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>										
1B	10.5	035	4	8A-1	035	4	Leases and Rentals	\$19,260	\$33,982	\$53,242
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabo To reclassify Keane Care software license lease expenses from th using cost centers to the Leases and Rentals cost center 42 CFR 413.20, 413.24, and 413.130 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 52000(e) and 52501	264,009	(33,982)	230,027 *
2	10.5	050	4	8A-1	050	4	Interest - Property, Plant, and Equipment	\$77,810	\$7,614	\$85,424
	10.5	055	4	8A-1	055	4	Interest - Other To reclassify capital related interest expense to the Interest - Property, Plant, and Equipment cost center. 42 CFR 413.5, 413.20, and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 52000(e) and 52501	27,694	(7,614)	20,080 *
3	10.5	140	4	8A-1	140	4	Beauty and Barber	\$8,430	\$1,554	\$9,984
	10.5	155	4	8A-1	155	4	Social Services - Other - Nonlabor To reclassify manicure expenses to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8 CCR, Title 22, Section 51511	1,609	(1,554)	55

Provider Name							Fiscal Period	Provider NPI		Adjustments
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011	1720071954		28
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				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
4	10.5	005	1	8A-1	005	1	Plant Operations and Maintenance - Salaries and Wages To eliminate related party bonus expenses due to lack of documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 1000, 1004, 2300 and 2304 W&I Code 14124.2(b)	\$166,778	(\$17,250)	\$149,528
5	10.5	055	4	8A-1	055	4	Interest - Other To eliminate interest expense on a loan from a related party. 42 CFR 413.153 and 413.17 CMS Pub. 15-1, Sections 218.1, 1004, and 1005	* \$20,080	(\$4,595)	
6							To eliminate interest expense on a loan from a related party. 42 CFR 413.153 and 413.17 CMS Pub. 15-1, Sections 218.1, 1004, and 1005		(2,333)	
7							To eliminate interest expense on a loan from a related party. 42 CFR 413.153 and 413.17 CMS Pub. 15-1, Sections 218.1, 1004, and 1005		<u>(338)</u> (\$7,266)	\$12,814
8	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages To eliminate related party bonus expenses due to lack of documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 1000, 1004, 2300 and 2304 W&I Code 14124.2(b)	\$363,930	(\$34,500)	\$329,430
9	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits To eliminate AFLAC insurance expenses due to insufficient documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	\$155,779	(\$27,786)	\$127,993 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011		1720071954		28
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					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
10	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	*	\$127,993		
							To eliminate life insurance expenses due to insufficient documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			(\$8,004)	
11							To eliminate Western Health Advantage insurance expenses for a related party due to insufficient documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			(6,140)	
12							To eliminate Premier Access dental insurance expenses for a related party due to insufficient documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			<u>(674)</u> (\$14,818)	\$113,175
13	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	\$230,027		
							To eliminate automobile expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105			(\$7,444)	
14							To eliminate advertising costs not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3, 2136, and 2136.2			(3,889)	
15							To eliminate retirement expense due to insufficient documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			(2,500)	
16							To eliminate Creditors Bureau expense due to lack of documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			<u>(2,065)</u> (\$15,898)	\$214,129 *
*Balance carried forward from prior/to subsequent adjustments											

Provider Name							Fiscal Period		Provider NPI		Adjustments
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011		1720071954		28
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		
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
17	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	\$214,129		
							To eliminate public relations expenses due to insufficient documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304			(\$1,357)	
18							To eliminate administration "other" expenses due to lack of documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			(1,170)	
19							To eliminate gift expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105			(1,050)	
20							To eliminate donation/sponsorship expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105			(704)	
21							To eliminate flower expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105			(517)	
22							To eliminate Costco membership costs related to social, fraternal, or similar types of organizations. 42 CFR 413.5 and 413.9 / CMS Pub. 15-1, Sections 2102.3 and 2138.3			(340)	
23							To eliminate newspaper ad expense due to insufficient documentation supporting necessity, reasonableness, and relationship to patient care. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(315)	
24							To eliminate donation/sponsorship expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105			(300)	
										(\$5,753)	\$208,376

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011		1720071954		28
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					
<u>ADJUSTMENT TO REPORTED STATISTICS</u>											
25	10.7	005	2,3	7	005	N/A	Plant Operations and Maintenance (Square Feet)	1,536	(1,536)	0	
	10.7	010	3	7	010	N/A	Housekeeping	441	(441)	0	
	10.7	175	2	7	N/A	N/A	Total Statistics - Plant Operations	22,835	(1,536)	21,299	
	10.7	175	3	7	N/A	N/A	Total Statistics - Housekeeping	22,835	(1,977)	20,858	
To include square feet statistics to agree with the filed Medicare cost report and for compliance with AB1629 requirements. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2304 and 2306 W&I Code 14126.023 / CCR Title 22, Section 97019											

Provider Name							Fiscal Period		Provider NPI		Adjustments
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011		1720071954		28
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		
ADJUSTMENTS TO REPORTED PATIENT DAYS											
26	4.1	70	2	1	15	N/A	Medi-Cal Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: October 1, 2010 through September 30, 2011 Payment Period: October 1, 2010 through April 15, 2013 Report Date: April 23, 2013 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	35,072	(34,008)	1,064	
27	Not Reported			1	16	N/A	Medi-Cal Managed Care Days To include Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 13.20 and 413.50 / CMS Pub. 15-1 Sections 2205 and 2304	0	34,008	34,008	

Provider Name							Fiscal Period		Provider NPI		Adjustments
ALDERSON CONVALESCENT HOSPITAL							OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011		1720071954		28
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		
<u>ADJUSTMENT TO OTHER MATTERS</u>											
28	Not Reported			1	14	N/A	\$0	\$3,601	\$3,601		
Overpayments											
To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed.											
42 CFR 413.5 and 413.20											
CMS Pub. 15-1, Sections 2300 and 2409											
CCR, Title 22, Sections 50786 and 51458.1											