

**REPORT  
ON THE  
RATE SETTING AUDIT**

**DOWNEY CARE CENTER  
DOWNEY, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1942335062**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Margaret A. Varho  
Audit Supervisor: Felipe Avila  
Auditor: David Ellis**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: May 9, 2013

Carol Sparks  
Director of Reimbursement  
Covenant Care, Inc.  
27071 Aliso Creek Road, Suite 100  
Aliso Viejo, CA 92656

DOWNEY CARE CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI) 1942335062  
FISCAL PERIOD ENDED DECEMBER 31, 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.

Carol Sparks  
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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:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility No.:  
206190874

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	\$ 3,060,808	\$ 89.38
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 719,649	\$ 21.01
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 538,963	\$ 15.74
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 444,354	\$ 12.98
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 35,769	\$ 1.04
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 19,637	\$ 0.57
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 66,417	\$ 1.94
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 365,555	\$ 10.67
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 819,860	\$ 23.94
11	Cost of Routine Service/Audited Total Costs	\$ 6,084,349	\$ 6,071,011	\$ 177.28
12	Total Patient Days (Adj )	34,245	34,245	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 177.67	\$ 177.28	
14	Overpayments (Adj )	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 8)	24,599	24,572	
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:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility No.:  
206190874

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)	\$ 0	\$ 0	
54	Total Patient Days (Adj )	0	0	
55	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 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:**  
DOWNEY CARE CENTER

**Fiscal Period:**  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

**Provider NPI:**  
1942335062

**OSHPD Facility No.:**  
206190874

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	\$ 118,268	\$ 118,268		
160	Activities	68,357		\$ 68,357	
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	0	0	0	0
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	0	0	0	0
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	2,874,183	118,268	68,357	3,060,808 *
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>\$ 3,060,808</b>	<b>\$ 118,268</b>	<b>\$ 68,357</b>	<b>\$ 3,060,808</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
DOWNEY CARE CENTER

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 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	\$ 62,962	\$ 62,962										
010	Housekeeping	151,252	1,047	\$ 152,299									
060	Laundry and Linen	68,056	3,406	8,377	\$ 79,839								
065	Dietary	324,347	7,902	19,438	0	\$ 351,688							
155	Social Services	N/A	154	380	0	0	\$ 534						
160	Activities	N/A	316	777	0	0	0	\$ 1,093					
165	Administration	N/A	8,476	20,848	0	0	0	0		\$ 29,324	\$ 29,324		
166	Medical Records	72,233	2,664	6,552	0	0	0	0		81,448		\$ 81,448	
170	Inservice Education - Nursing	79,646	408	1,003	0	0	0	0	\$ 81,057				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		265	651	0	0	0	0	0	915	190	527	\$ 1,632
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		1,363	3,353	0	0	0	0	0	4,716	2,109	5,857	12,681
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		1,007	2,476	0	0	0	0	0	3,483	1,769	4,912	10,164
083	Speech Pathology		1,150	2,829	0	0	0	0	0	3,978	628	1,744	6,350
085	Pharmacy		0	0	0	0	0	0	0	0	1,338	3,717	5,055
090	Laboratory		0	0	0	0	0	0	0	0	161	447	608
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	82	226	308
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		34,269	84,296	79,839	351,688	534	1,093	81,057	632,776	22,997	63,876	719,649 *
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	0	0	0	0	0	0	0	11	31	42
145	Other Nonreimbursable		536	1,319	0	0	0	0	0	1,856	40	111	2,006
	<b>TOTAL</b>	\$ 758,496	\$ 62,962	\$ 152,299	\$ 79,839	\$ 351,688	\$ 534	\$ 1,093	\$ 81,057	\$ 647,724	\$ 29,324	\$ 81,448	\$ 758,496

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
DOWNEY CARE CENTER

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 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	\$ 131,000	\$ 131,000										
010	Housekeeping	34,504	2,178	\$ 36,682									
060	Laundry and Linen	32,553	7,086	2,018	\$ 41,657								
065	Dietary	180,500	16,442	4,682	0	\$ 201,624							
155	Social Services	5,274	321	91	0	0	\$ 5,686						
160	Activities	11,016	657	187	0	0	0	\$ 11,861					
165	Administration	N/A	17,634	5,021	0	0	0	0		\$ 22,656	\$ 22,656		
166	Medical Records	33,656	5,542	1,578	0	0	0	0		40,776		\$ 40,776	
170	Inservice Education - Nursing	0	848	242	0	0	0	0	\$ 1,090				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	33,920	550	157	0	0	0	0	0	34,627	147	264	\$ 35,037
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	400,373	2,836	808	0	0	0	0	0	404,016	1,629	2,932	408,578
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	337,829	2,094	596	0	0	0	0	0	340,520	1,366	2,459	344,346
083	Speech Pathology	108,182	2,393	681	0	0	0	0	0	111,256	485	873	112,614
085	Pharmacy	266,907	0	0	0	0	0	0	0	266,907	1,034	1,861	269,802
090	Laboratory	32,091	0	0	0	0	0	0	0	32,091	124	224	32,439
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	16,262	0	0	0	0	0	0	0	16,262	63	113	16,438
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	135,694	71,302	20,303	41,657	201,624	5,686	11,861	1,090	489,217	17,768	31,978	538,963 *
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	2,242	0	0	0	0	0	0	0	2,242	9	16	2,266
145	Other Nonreimbursable	0	1,116	318	0	0	0	0	0	1,434	31	55	1,520
	<b>TOTAL</b>	<b>\$ 1,762,003</b>	<b>\$ 131,000</b>	<b>\$ 36,682</b>	<b>\$ 41,657</b>	<b>\$ 201,624</b>	<b>\$ 5,686</b>	<b>\$ 11,861</b>	<b>\$ 1,090</b>	<b>\$ 1,698,571</b>	<b>\$ 22,656</b>	<b>\$ 40,776</b>	<b>\$ 1,762,003</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

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)	\$ 498,487	93%							
	Property Tax (line 40)	40,126	7%	\$ 538,613						
005	Plant Operations and Maintenance			15,358	\$ 15,358					
010	Housekeeping			8,702	255	\$ 8,957				
060	Laundry and Linen			28,303	831	493	\$ 29,626			
065	Dietary			65,674	1,928	1,143	0	\$ 68,745		
155	Social Services			1,282	38	22	0	0	\$ 1,342	
160	Activities			2,626	77	46	0	0	0	\$ 2,749
165	Administration			70,437	2,067	1,226	0	0	0	0
166	Medical Records			22,136	650	385	0	0	0	0
170	Inservice Education - Nursing			3,389	99	59	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			2,198	65	38	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			11,327	332	197	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			8,366	246	146	0	0	0	0
083	Speech Pathology			9,556	280	166	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			284,801	8,359	4,958	29,626	68,745	1,342	2,749
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	0	0	0	0	0	0
145	Other Nonreimbursable			4,458	131	78	0	0	0	0
	<b>TOTAL</b>	<b>\$ 538,613</b>	<b>100%</b>	<b>\$ 538,613</b>	<b>\$ 15,358</b>	<b>\$ 8,957</b>	<b>\$ 29,626</b>	<b>\$ 68,745</b>	<b>\$ 1,342</b>	<b>\$ 2,749</b>

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

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 93% Of Total	Property Tax 7% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 498,487	93%							
	Property Tax (line 40)	40,126	7%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 73,731	\$ 73,731				
166	Medical Records				23,171		\$ 23,171			
170	Inservice Education - Nursing			\$ 3,548						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	2,301	477	150	\$ 2,928	\$ 2,710	\$ 218
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	11,857	5,302	1,666	18,825	17,423	1,402
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	8,757	4,447	1,397	14,601	13,514	1,088
083	Speech Pathology			0	10,003	1,579	496	12,078	11,178	900
085	Pharmacy			0	0	3,365	1,057	4,422	4,093	329
090	Laboratory			0	0	405	127	532	492	40
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	205	64	269	249	20
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			3,548	404,128	57,823	18,172	480,122	444,354	35,769
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	0	28	9	37	34	3
145	Other Nonreimbursable			0	4,666	100	32	4,798	4,440	357
	<b>TOTAL</b>	\$ 538,613	100%	\$ 3,548	\$ 441,712	\$ 73,731	\$ 23,171	\$ 538,613	\$ 498,487	\$ 40,126

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
DOWNEY CARE CENTER

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 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. 64% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 5% of Total	Quality Assur. Fees 29% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 15,269												
055	Interest - Other	12,637												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	1,017,501												
	Total Costs Allocable as Administration	1,045,407	64%											
167	CDPH Licensing Fees	25,039	2%											
168	Professional Liability Insurance	84,689	5%											
169	Quality Assurance Fees	466,121	29%											
174	Caregiver Training	0	0%											
	Total	1,621,256	100%						\$ 1,621,256					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 915	\$ 34,627	\$ 2,301	\$ 37,843	10,490	\$ 6,764	\$ 162	\$ 548	\$ 3,016	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	4,716	404,016	11,857	420,589	116,585	75,175	1,801	6,090	33,519	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	3,483	340,520	8,757	352,759	97,783	63,052	1,510	5,108	28,113	0
083	Speech Pathology			0	3,978	111,256	10,003	125,238	34,715	22,385	536	1,813	9,981	0
085	Pharmacy			0	0	266,907	0	266,907	73,985	47,706	1,143	3,865	21,271	0
090	Laboratory			0	0	32,091	0	32,091	8,895	5,736	137	465	2,557	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	16,262	0	16,262	4,508	2,907	70	235	1,296	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			3,060,808	632,776	489,217	404,128	4,586,928	1,271,469	819,860	19,637	66,417	365,555	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	0	2,242	0	2,242	621	401	10	32	179	0
145	Other Nonreimbursable			0	1,856	1,434	4,666	7,956	2,205	1,422	34	115	634	0
	<b>SUBTOTAL</b>	\$ 1,621,256		\$ 3,060,808	\$ 647,724	\$ 1,698,571	\$ 441,712	\$ 5,848,815	\$ 1,621,256					
	Total Administrative Costs							\$ 1,621,256		\$ 1,045,407	\$ 25,039	\$ 84,689	\$ 466,121	\$ -
	Unit Cost Multiplier							0.27719391						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 110,772	\$ 63,432	\$ 96,901	\$ 271,105							
	<b>TOTAL FACILITY COSTS</b>							\$ 7,741,176						

\*(To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
DOWNEY CARE CENTER

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj )	Plant Ops (SQ FT) 5 (Adj )	Hskpng (SQ FT) 10 (Adj )	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)
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	503									
010	Housekeeping	285	285								
060	Laundry and Linen	927	927	927							
065	Dietary	2,151	2,151	2,151							
155	Social Services	42	42	42							
160	Activities	86	86	86							
165	Administration	2,307	2,307	2,307							
166	Medical Records	725	725	725							
170	Inservice Education - Nursing	111	111	111							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	72	72	72						37,843	37,843
077	Specialized Support Surfaces									0	0
080	Physical Therapy	371	371	371						420,589	420,589
081	Respiratory Therapy									0	0
082	Occupational Therapy	274	274	274						352,759	352,759
083	Speech Pathology	313	313	313						125,238	125,238
085	Pharmacy									266,907	266,907
090	Laboratory									32,091	32,091
095	Home Health Services									0	0
100	Other Ancillary Services									16,262	16,262
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	9,328	9,328	9,328	68,490	100,725	3,009,877	3,009,877	3,009,877	4,586,928	4,586,928
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
	<b>NONREIMBURSABLE</b>										
139	Residential Care									0	0
140	Beauty and Barber									2,242	2,242
145	Other Nonreimbursable	146	146	146						7,956	7,956
	<b>TOTAL STATISTICS</b>	17,641	17,138	16,853	68,490	100,725	3,009,877	3,009,877	3,009,877	5,848,815	5,848,815
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 118,268 0.0392933	\$ 68,357 0.022710895			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 62,962 3.67382425	\$ 152,299 9.03690974	\$ 79,839 1.16570084	\$ 351,688 3.49156405	\$ 534 0.00017737	\$ 1,093 0.00036318	\$ 81,057 0.02693030	\$ 29,324 0.00501361	\$ 81,448 0.01392560
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 131,000 7.64383242	\$ 36,682 2.17661498	\$ 41,657 0.60821368	\$ 201,624 2.00172532	\$ 5,686 0.00188927	\$ 11,861 0.00394055	\$ 1,090 0.00036216	\$ 22,656 0.00387357	\$ 40,776 0.00697164
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 538,613 30.53188595	\$ 15,358 0.89611032	\$ 8,957 0.53147683	\$ 29,626 0.43256580	\$ 68,745 0.68250014	\$ 1,342 0.00044596	\$ 2,749 0.00091317	\$ 3,548 0.00117862	\$ 73,731 0.01260606	\$ 23,171 0.00396159

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

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	\$ 47,825	\$ 0	\$ 47,825	(Sch 3)
005	.20-.39	Fringe Benefits	6200	15,137	0	15,137	(Sch 3)
005	.79	Agency Staff	6200	0	0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	131,000	0	131,000	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 193,962	\$ 0	\$ 193,962	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 113,734	\$ 0	\$ 113,734	(Sch 3)
010	.20-.39	Fringe Benefits	6300	37,518	0	37,518	(Sch 3)
010	.79	Agency Staff	6300	0	0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	34,504	0	34,504	(Sch 4)
010		Housekeeping - Total	6300	\$ 185,756	\$ 0	\$ 185,756	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 0	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	38,258	0	38,258	(Sch 5)
025		Depreciation: Equipment	7140	38,504	267	38,771	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	0	0	0	(Sch 5)
035		Leases and Rentals	7200	421,458	0	421,458	(Sch 5)
040		Property Taxes	7300	40,126	0	40,126	(Sch 5)
045		Property Insurance	7400	15,269	0	15,269	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500	0	0	0	(Sch 6)
055		Interest - Other	7600	\$ 12,637	\$ 0	\$ 12,637	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 945,970	\$ 267	\$ 946,237	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 50,796	\$ 0	\$ 50,796	(Sch 3)
060	.20-.39	Fringe Benefits	6400	17,260	0	17,260	(Sch 3)
060	.79	Agency Staff	6400	0	0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	32,553	0	32,553	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 100,609	\$ 0	\$ 100,609	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 247,077	\$ 0	\$ 247,077	(Sch 3)
065	.20-.39	Fringe Benefits	6500	77,270	0	77,270	(Sch 3)
065	.79	Agency Staff	6500	0	0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	180,500	0	180,500	(Sch 4)
065		Dietary - Total	6500	\$ 504,847	\$ 0	\$ 504,847	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		<b>Ancillary Services</b>					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$ 0	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100	0	0	0	(Sch 2)
075	.79	Agency Staff	8100	0	0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	26,039	7,881	33,920	(Sch 4)
075		Patient Supplies - Total	8100	\$ 26,039	\$ 7,881	\$ 33,920	
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:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

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	\$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200	0	0	0	(Sch 2)
080	.79	Agency Staff	8200	0	0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	400,373	0	400,373	(Sch 4)
080		Physical Therapy - Total	8200	\$ 400,373	\$ 0	\$ 400,373	
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	\$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250	0	0	0	(Sch 2)
082	.79	Agency Staff	8250	0	0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	337,829	0	337,829	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 337,829	\$ 0	\$ 337,829	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$ 0	\$ 0	\$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280	0	0	0	(Sch 2)
083	.79	Agency Staff	8280	0	0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	108,182	0	108,182	(Sch 4)
083		Speech Pathology - Total	8280	\$ 108,182	\$ 0	\$ 108,182	
085		Pharmacy					
085	.01-.19	Salaries and Wages	8300	\$ 0	\$ 0	\$ 0	(Sch 2)
085	.20-.39	Fringe Benefits	8300	0	0	0	(Sch 2)
085	.79	Agency Staff	8300	0	0	0	(Sch 2)
085	.40-.99	Other - Nonlabor	8300	266,907	0	266,907	(Sch 4)
085		Pharmacy - Total	8300	\$ 266,907	\$ 0	\$ 266,907	
090		Laboratory					
090	.01-.19	Salaries and Wages	8400	\$ 0	\$ 0	\$ 0	(Sch 2)
090	.20-.39	Fringe Benefits	8400	0	0	0	(Sch 2)
090	.79	Agency Staff	8400	0	0	0	(Sch 2)
090	.40-.99	Other - Nonlabor	8400	32,091	0	32,091	(Sch 4)
090		Laboratory - Total	8400	\$ 32,091	\$ 0	\$ 32,091	
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	\$ 0	(Sch 2)
100	.20-.39	Fringe Benefits	8900	0	0	0	(Sch 2)
100	.79	Agency Staff	8900	0	0	0	(Sch 2)
100	.40-.99	Other - Nonlabor	8900	14,177	2,085	16,262	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 14,177	\$ 2,085	\$ 16,262	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

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		\$ 1,185,598	\$ 9,966	\$ 1,195,564	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,240,232	\$ (2,797)	\$ 2,237,435	(Sch 2)
105	.20-.39	Fringe Benefits	6110	637,284	(536)	636,748	(Sch 2)
105	.49	Agency Staff	6110	0	0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	146,194	(10,500)	135,694	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 3,023,710	\$ (13,833)	\$ 3,009,877	
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:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

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)
		<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	\$ 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	2,242	0	2,242 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 2,242	\$ 0	\$ 2,242
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>		\$ 3,025,952	\$ (13,833)	\$ 3,012,119
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 91,605	\$ 0	\$ 91,605 (Sch 2)
155	.20-.39	Fringe Benefits	6600	26,663	0	26,663 (Sch 2)
155	.49	Agency Staff	6600	0	0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	5,274	0	5,274 (Sch 4)
155		Social Services - Total	6600	\$ 123,542	\$ 0	\$ 123,542

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
DOWNEY CARE CENTER

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1942335062

OSHPD Facility Number:  
206190874

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	\$ 51,325	\$ 0	\$ 51,325	(Sch 2)
160	.20-.39	Fringe Benefits	6700	17,032	0	17,032	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	11,016	0	11,016	(Sch 4)
160		Activities - Total	6700	\$ 79,373	\$ 0	\$ 79,373	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 336,831	\$ 0	\$ 336,831	(Sch 6)
165	.20-.39	Fringe Benefits	6900	111,893	0	111,893	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	564,910	3,867	568,777	(Sch 6)
165		Administration - Total	6900	\$ 1,013,634	\$ 3,867	\$ 1,017,501	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 56,133	\$ 0	\$ 56,133	(Sch 3)
166	.20-.39	Fringe Benefits	6900	16,100	0	16,100	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	33,656	0	33,656	(Sch 4)
166		Medical Records - Total	6900	\$ 105,889	\$ 0	\$ 105,889	
167		CDPH Licensing Fees	6900	\$ 25,039	\$ 0	\$ 25,039	(Sch 6)
168		Professional Liability Insurance	6900	\$ 84,689	\$ 0	\$ 84,689	(Sch 6)
169		Quality Assurance Fees	6900	\$ 466,121	\$ 0	\$ 466,121	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 61,498	\$ 0	\$ 61,498	(Sch 3)
170	.20-.39	Fringe Benefits	6800	18,148	0	18,148	(Sch 3)
170	.49	Agency Staff	6800	0	0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	0	0	0	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 79,646	\$ 0	\$ 79,646	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$ 0	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900	0	0	0	(Sch 6)
174	.49	Agency Staff	6900	0	0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900	0	0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		<b>Subtotal 155 - 174</b>		\$ 1,977,933	\$ 3,867	\$ 1,981,800	
200		<b>Total</b>		\$ 7,740,909	\$ 267	\$ 7,741,176	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 246,274	
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\* For informational purposes only, this amount is included in various cost centers above.









Provider Name							Fiscal Period			Provider NPI		Adjustments
DOWNEY CARE CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1942335062		8
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>												
1	Not Reported			8	210		Total Facility Group Health Insurance To include Group Health Insurance in the audit for informational purpose only. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 230			\$0	\$246,274	\$246,274

Provider Name							Fiscal Period	Provider NPI	Adjustments		
DOWNEY CARE CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1942335062	8		
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>RECLASSIFICATIONS OF REPORTED COSTS</u></b>											
2	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	\$26,039	\$4,927	\$30,966 *	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify oxygen-related expense not included in the routine rate to an ancillary cost center for proper cost determination. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR Title 22, Section 51511(c)	146,194	(4,927)	141,267 *	
3	10.5	100	4	8A-1	100	4	Other Ancillary Services - Other - Nonlabor	\$14,177	\$2,085	\$16,262	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify x-ray services expense not included in the routine rate to an ancillary cost center for proper cost determination. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR Title 22, Section 51511(c)	* 141,267	(2,085)	139,182 *	
4	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	* \$30,966	\$1,200	\$32,166 *	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify alternating mattresses expense to a separately billable cost center for proper cost determination. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR Title 22, Section 51511(c)	* 139,182	(1,200)	137,982 *	
5	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	* \$32,166	\$1,754	\$33,920	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify oxygen-related expense not included in the routine rate to an ancillary cost center for proper cost determination. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR Title 22, Section 51511(c)	* 137,982	(1,754)	136,228 *	

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
DOWNEY CARE CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1942335062		8
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>										
6	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$2,240,232	(\$2,797)	\$2,237,435
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	637,284	(536)	636,748
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	* 136,228	(534)	135,694
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	564,910	3,867	568,777
							To adjust the reported home office costs to agree with the filed Covenant Care, LLC Home Office Cost Report for the fiscal period ended December 31, 2011. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304			
7	10.5	025	4	8A-1	025	4	Depreciation - Equipment	\$38,504	\$267	\$38,771
							To include mattress depreciation expense based on the useful life that was established during the prior year's Medi-Cal Cost Report audit. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300.			

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
DOWNEY CARE CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1942335062		8
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>ADJUSTMENT TO REPORTED PATIENT DAYS</u></b>										
8	4.1	5	2	1	15	Medi-Cal Days To reflect Medi-Cal patient days based on the following Fiscal Intermediary Payment Data. Service Period: January 01, 2011 through December 31, 2011 Payment Period: January 01, 2011 through October 15, 2012 Report Date: October 16, 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	24,599	(27)	24,572	