

**REPORT  
ON THE  
RATE SETTING AUDIT**

**APPLE VALLEY CONVALESCENT HOSPITAL  
SEBASTOPOL, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1114902616**

**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: Henry Igboke  
Auditor: May Liu**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: July 02, 2013

Spencer Olsen, Treasurer  
North American Health Care, Inc.  
3 Monarch Bay Plaza, Suite 203  
Dana Point, CA 92629

APPLE VALLEY CONVALESCENT HOSPITAL  
NATIONAL PROVIDER IDENTIFIER 1114902616  
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, 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 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.

Spencer Olsen  
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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 A. Varho)

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

Certified

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

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility No.:  
206490956

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	\$ 3,931,475	\$ 134.46
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 1,118,614	\$ 38.26
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 785,179	\$ 26.85
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 595,248	\$ 20.36
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 15,735	\$ 0.54
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 16,902	\$ 0.58
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 111,874	\$ 3.83
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 306,658	\$ 10.49
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 1,153,620	\$ 39.45
11	Cost of Routine Service/Audited Total Costs	\$ 8,079,453	\$ 8,035,305	\$ 274.81
12	Total Patient Days (Adj 6)	29,245	29,239	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 276.27	\$ 274.81	
14	Overpayments (Adj )	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 4)	11,975	0	
16	Medi-Cal Managed Care Days (Adj 5)		11,975	
<b>INTERMEDIATE CARE</b>				
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	
<b>MENTALLY DISORDERED CARE</b>				
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	
<b>DEVELOPMENTALLY DISABLED CARE</b>				
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	
<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:**  
APPLE VALLEY CONVALESCENT HOSPITAL

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

**Provider NPI:**  
1114902616

**OSHPD Facility No.:**  
206490956

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	
50	Total Patient Days (Adj )		0	
51	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
52	Overpayments (Adj )	\$	\$ 0	
<b>HOSPICE INPATIENT CARE</b>				
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	
<b>OTHER ROUTINE SERVICES</b>				
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:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility No.:  
206490956

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Svcs	Activities	Total
			155	160	
<b>GENERAL SERVICES</b>					
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 194,105	\$ 194,105		
160	Activities	108,117		\$ 108,117	
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	626,852	0	0	626,852
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	527,175	0	0	527,175
083	Speech Pathology	97,451	0	0	97,451
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	3,629,253	194,105	108,117	3,931,475 *
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>\$ 5,182,953</b>	<b>\$ 194,105</b>	<b>\$ 108,117</b>	<b>\$ 5,182,953</b>

\* (To Schedule 1)

**ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR**

**Provider Name:**  
APPLE VALLEY CONVALESCENT HOSPITAL

**Provider NPI:**  
1114902616

**OSHPD Facility Number:**  
206490956

**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	\$ 109,682	\$ 109,682										
010	Housekeeping	213,393	923	\$ 214,316									
060	Laundry and Linen	72,191	3,899	7,684	\$ 83,774								
065	Dietary	462,076	8,300	16,355	0	\$ 486,730							
155	Social Services	N/A	560	1,103	0	0	\$ 1,663						
160	Activities	N/A	4,361	8,594	0	0	0	\$ 12,955					
165	Administration	N/A	2,514	4,955	0	0	0	0	\$ 7,469	\$ 7,469			
166	Medical Records	172,609	2,426	4,781	0	0	0	0	179,816		\$ 179,816		
170	Inservice Education - Nursing	155,170	1,483	2,923	0	0	0	\$ 159,576					
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		1,316	2,594	0	0	0	0	0	3,910	33	796	\$ 4,738
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		2,917	5,748	0	0	0	0	0	8,666	604	14,534	23,803
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		1,169	2,303	0	0	0	0	0	3,472	511	12,304	16,287
083	Speech Pathology		0	0	0	0	0	0	0	0	88	2,126	2,214
085	Pharmacy		1,139	2,245	0	0	0	0	0	3,385	288	6,937	10,610
090	Laboratory		0	0	0	0	0	0	0	0	127	3,064	3,191
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	129	3,107	3,237
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		77,996	153,697	83,774	486,730	1,663	12,955	159,576	976,391	5,672	136,551	1,118,614 *
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		678	1,335	0	0	0	0	0	2,013	16	397	2,426
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,185,121</b>	<b>\$ 109,682</b>	<b>\$ 214,316</b>	<b>\$ 83,774</b>	<b>\$ 486,730</b>	<b>\$ 1,663</b>	<b>\$ 12,955</b>	<b>\$ 159,576</b>	<b>\$ 997,836</b>	<b>\$ 7,469</b>	<b>\$ 179,816</b>	<b>\$ 1,185,121</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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	\$ 200,660	\$ 200,660										
010	Housekeeping	46,410	1,689	\$ 48,099									
060	Laundry and Linen	39,440	7,134	1,724	\$ 48,298								
065	Dietary	228,801	15,184	3,671	0	\$ 247,655							
155	Social Services	0	1,024	248	0	0	\$ 1,272						
160	Activities	9,645	7,978	1,929	0	0	0	\$ 19,552					
165	Administration	N/A	4,600	1,112	0	0	0	0		\$ 5,712	\$ 5,712		
166	Medical Records	17,525	4,438	1,073	0	0	0	0		23,036		\$ 23,036	
170	Inservice Education - Nursing	0	2,713	656	0	0	0	0	\$ 3,369				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	21,563	2,408	582	0	0	0	0	0	24,553	25	102	\$ 24,680
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	6,311	5,337	1,290	0	0	0	0	0	12,938	462	1,862	15,262
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	23,574	2,138	517	0	0	0	0	0	26,229	391	1,576	28,196
083	Speech Pathology	0	0	0	0	0	0	0	0	0	68	272	340
085	Pharmacy	305,070	2,084	504	0	0	0	0	0	307,658	220	889	308,767
090	Laboratory	140,450	0	0	0	0	0	0	0	140,450	97	393	140,940
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	142,441	0	0	0	0	0	0	0	142,441	99	398	142,938
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	266,015	142,692	34,494	48,298	247,655	1,272	19,552	3,369	763,348	4,338	17,494	785,179 *
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	10,510	1,240	300	0	0	0	0	0	12,050	13	51	12,113
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,458,415</b>	<b>\$ 200,660</b>	<b>\$ 48,099</b>	<b>\$ 48,298</b>	<b>\$ 247,655</b>	<b>\$ 1,272</b>	<b>\$ 19,552</b>	<b>\$ 3,369</b>	<b>\$ 1,429,667</b>	<b>\$ 5,712</b>	<b>\$ 23,036</b>	<b>\$ 1,458,415</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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)	\$ 645,121	97%							
	Property Tax (line 40)	17,053	3%	\$ 662,174						
005	Plant Operations and Maintenance			2,952	\$ 2,952					
010	Housekeeping			5,549	25	\$ 5,574				
060	Laundry and Linen			23,436	105	200	\$ 23,741			
065	Dietary			49,883	223	425	0	\$ 50,532		
155	Social Services			3,365	15	29	0	0	\$ 3,409	
160	Activities			26,211	117	224	0	0	0	\$ 26,552
165	Administration			15,112	68	129	0	0	0	0
166	Medical Records			14,581	65	124	0	0	0	0
170	Inservice Education - Nursing			8,914	40	76	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			7,910	35	67	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			17,533	79	150	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			7,025	31	60	0	0	0	0
083	Speech Pathology			0	0	0	0	0	0	0
085	Pharmacy			6,848	31	58	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			468,782	2,099	3,997	23,741	50,532	3,409	26,552
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			4,073	18	35	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 662,174</b>	<b>100%</b>	<b>\$ 662,174</b>	<b>\$ 2,952</b>	<b>\$ 5,574</b>	<b>\$ 23,741</b>	<b>\$ 50,532</b>	<b>\$ 3,409</b>	<b>\$ 26,552</b>

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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 97% Of Total	Property Tax 3% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 645,121	97%							
	Property Tax (line 40)	17,053	3%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 15,309	\$ 15,309				
166	Medical Records				14,771		\$ 14,771			
170	Inservice Education - Nursing			\$ 9,030						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	8,013	68	65	\$ 8,146	\$ 7,937	\$ 210
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	17,761	1,237	1,194	20,192	19,672	520
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	7,116	1,048	1,011	9,174	8,938	236
083	Speech Pathology			0	0	181	175	356	346	9
085	Pharmacy			0	6,937	591	570	8,097	7,889	209
090	Laboratory			0	0	261	252	513	499	13
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	265	255	520	506	13
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			9,030	588,141	11,626	11,217	610,983	595,248	15,735*
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	4,126	34	33	4,193	4,085	108
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 662,174	100%	\$ 9,030	\$ 632,094	\$ 15,309	\$ 14,771	\$ 662,174	\$ 645,121	\$ 17,053

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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. 73% of Total	DPH Licensing Fees 1% of Total	Professional Liability Ins. 7% of Total	Quality Assur. Fees 19% of Total	Caregiver Training 0% of Total
	<b>GENERAL SERVICES</b>													
045	Property Insurance	\$ 10,828												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	1,508,301												
	Total Costs Allocable as Administration	1,519,129	73%											
167	CDPH Licensing Fees	22,257	1%											
168	Professional Liability Insurance	147,320	7%											
169	Quality Assurance Fees	403,818	19%											
174	Caregiver Training	0	0%											
	Total	2,092,524	100%						\$ 2,092,524					
	<b>ANCILLARY SERVICES</b>													
075	Patient Supplies			\$ -	\$ 3,910	\$ 24,553	\$ 8,013	\$ 36,476	9,260	\$ 6,723	\$ 98	\$ 652	\$ 1,787	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			626,852	8,666	12,938	17,761	666,216	169,131	122,786	1,799	11,907	32,639	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			527,175	3,472	26,229	7,116	563,993	143,180	103,946	1,523	10,080	27,631	0
083	Speech Pathology			97,451	0	0	0	97,451	24,740	17,961	263	1,742	4,774	0
085	Pharmacy			0	3,385	307,658	6,937	317,980	80,725	58,605	859	5,683	15,578	0
090	Laboratory			0	0	140,450	0	140,450	35,656	25,885	379	2,510	6,881	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	142,441	0	142,441	36,161	26,252	385	2,546	6,978	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			3,931,475	976,391	763,348	588,141	6,259,354	1,589,053	1,153,620	16,902	111,874	306,658	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	2,013	12,050	4,126	18,189	4,618	3,352	49	325	891	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 2,092,524		\$ 5,182,953	\$ 997,836	\$ 1,429,667	\$ 632,094	\$ 8,242,550	\$ 2,092,524					
	Total Administrative Costs							\$ 2,092,524		\$ 1,519,129	\$ 22,257	\$ 147,320	\$ 403,818	\$ -
	Unit Cost Multiplier							0.25386853						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 187,285	\$ 28,748	\$ 30,080	\$ 246,113							
	<b>TOTAL FACILITY COSTS</b>							\$ 10,581,187						

\* (To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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 Svcs (DIRECT EXP) 155 (Adj )	Activities (DIRECT EXP) 160 (Adj )	Inserv. Ed (DIRECT EXP) 170 (Adj )	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	50									
010	Housekeeping	94	94								
060	Laundry and Linen	397	397	397							
065	Dietary	845	845	845							
155	Social Services	57	57	57							
160	Activities	444	444	444							
165	Administration	256	256	256							
166	Medical Records	247	247	247							
170	Inservice Education - Nursing	151	151	151							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	134	134	134						36,476	36,476
077	Specialized Support Surfaces									0	0
080	Physical Therapy	297	297	297						666,216	666,216
081	Respiratory Therapy									0	0
082	Occupational Therapy	119	119	119						563,993	563,993
083	Speech Pathology									97,451	97,451
085	Pharmacy	116	116	116						317,980	317,980
090	Laboratory									140,450	140,450
095	Home Health Services									0	0
100	Other Ancillary Services									142,441	142,441
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	7,941	7,941	7,941	111,127	87,147	3,895,268	3,895,268	3,895,268	6,259,354	6,259,354
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	69	69	69						18,189	18,189
145	Other Nonreimbursable									0	0
	<b>TOTAL STATISTICS</b>	11,217	11,167	11,073	111,127	87,147	3,895,268	3,895,268	3,895,268	8,242,550	8,242,550
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 194,105 0.049830974	\$ 108,117 0.027755985			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 109,682 9.82197546	\$ 214,316 19.35485105	\$ 83,774 0.75386000	\$ 486,730 5.58516551	\$ 1,663 0.00042695	\$ 12,955 0.00332571	\$ 159,576 0.04096655	\$ 7,469 0.00090618	\$ 179,816 0.02181554
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 200,660 17.96901585	\$ 48,099 4.34381717	\$ 48,298 0.43462160	\$ 247,655 2.84181147	\$ 1,272 0.00032651	\$ 19,552 0.00501940	\$ 3,369 0.00086496	\$ 5,712 0.00069300	\$ 23,036 0.00279480
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 662,174 59.03307480	\$ 2,952 0.26431931	\$ 5,574 0.50338256	\$ 23,741 0.21363763	\$ 50,532 0.57984390	\$ 3,409 0.00087507	\$ 26,552 0.00681636	\$ 9,030 0.00231818	\$ 15,309 0.00185731	\$ 14,771 0.00179202

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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	\$ 92,043	\$ 0	\$ 92,043	(Sch 3)
005	.20-.39	Fringe Benefits	6200	17,884	(245)	17,639	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	200,660	0	200,660	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 310,587	\$ (245)	\$ 310,342	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 166,067	\$ 0	\$ 166,067	(Sch 3)
010	.20-.39	Fringe Benefits	6300	47,769	(443)	47,326	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	46,410	0	46,410	(Sch 4)
010		Housekeeping - Total	6300	\$ 260,246	\$ (443)	\$ 259,803	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	114,566	0	114,566	(Sch 5)
025		Depreciation: Equipment	7140	108,079	0	108,079	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	237	0	237	(Sch 5)
035		Leases and Rentals	7200	400,254	0	400,254	(Sch 5)
040		Property Taxes	7300	17,053	0	17,053	(Sch 5)
045		Property Insurance	7400	10,828	0	10,828	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500	21,985	0	21,985	(Sch 6)
055		Interest - Other	7600	\$	\$ 0	\$ 0	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 1,243,835	\$ (688)	\$ 1,243,147	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 58,611	\$ 0	\$ 58,611	(Sch 3)
060	.20-.39	Fringe Benefits	6400	13,736	(156)	13,580	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	39,440	0	39,440	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 111,787	\$ (156)	\$ 111,631	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 373,434	\$ 0	\$ 373,434	(Sch 3)
065	.20-.39	Fringe Benefits	6500	89,638	(996)	88,642	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	228,801	0	228,801	(Sch 4)
065		Dietary - Total	6500	\$ 691,873	\$ (996)	\$ 690,877	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		<b>Ancillary Services</b>					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	21,563	0	21,563	(Sch 4)
075		Patient Supplies - Total	8100	\$ 21,563	\$ 0	\$ 21,563	
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:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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	\$ 507,626	\$ 0	\$ 507,626	(Sch 2)
080	.20-.39	Fringe Benefits	8200	120,580	(1,354)	119,226	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	6,311	0	6,311	(Sch 4)
080		Physical Therapy - Total	8200	\$ 634,517	\$ (1,354)	\$ 633,163	
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	\$ 446,284	\$ 0	\$ 446,284	(Sch 2)
082	.20-.39	Fringe Benefits	8250	82,081	(1,190)	80,891	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	23,574	0	23,574	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 551,939	\$ (1,190)	\$ 550,749	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$ 79,306	\$ 0	\$ 79,306	(Sch 2)
083	.20-.39	Fringe Benefits	8280	18,357	(212)	18,145	(Sch 2)
083	.79	Agency Staff	8280		0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280		0	0	(Sch 4)
083		Speech Pathology - Total	8280	\$ 97,663	\$ (212)	\$ 97,451	
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	305,070	0	305,070	(Sch 4)
085		Pharmacy - Total	8300	\$ 305,070	\$ 0	\$ 305,070	
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	140,450	0	140,450	(Sch 4)
090		Laboratory - Total	8400	\$ 140,450	\$ 0	\$ 140,450	
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	142,441	0	142,441	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 142,441	\$ 0	\$ 142,441	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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		\$ 1,893,643	\$ (2,756)	\$ 1,890,887	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,999,007	\$ 0	\$ 2,999,007	(Sch 2)
105	.20-.39	Fringe Benefits	6110	638,244	(7,998)	630,246	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	266,015	0	266,015	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 3,903,266	\$ (7,998)	\$ 3,895,268	
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:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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 (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	10,510	0	10,510 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 10,510	\$ 0	\$ 10,510
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>		\$ 3,913,776	\$ (7,998)	\$ 3,905,778
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 161,383	\$ 0	\$ 161,383 (Sch 2)
155	.20-.39	Fringe Benefits	6600	33,152	(430)	32,722 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600		0	0 (Sch 4)
155		Social Services - Total	6600	\$ 194,535	\$ (430)	\$ 194,105

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Provider NPI:  
1114902616

OSHPD Facility Number:  
206490956

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	\$ 77,671	\$ 0	\$ 77,671	(Sch 2)
160	.20-.39	Fringe Benefits	6700	30,653	(207)	30,446	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	9,645	0	9,645	(Sch 4)
160		Activities - Total	6700	\$ 117,969	\$ (207)	\$ 117,762	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 452,302	\$ 0	\$ 452,302	(Sch 6)
165	.20-.39	Fringe Benefits	6900	123,980	(1,206)	122,774	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	947,856	(14,631)	933,225	(Sch 6)
165		Administration - Total	6900	\$ 1,524,138	\$ (15,837)	\$ 1,508,301	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 145,269	\$ 0	\$ 145,269	(Sch 3)
166	.20-.39	Fringe Benefits	6900	27,727	(387)	27,340	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	17,525	0	17,525	(Sch 4)
166		Medical Records - Total	6900	\$ 190,521	\$ (387)	\$ 190,134	
167		CDPH Licensing Fees	6900	\$ 22,257	\$ 0	\$ 22,257	(Sch 6)
168		Professional Liability Insurance	6900	\$ 147,320	\$ 0	\$ 147,320	(Sch 6)
169		Quality Assurance Fees	6900	\$ 403,818	\$ 0	\$ 403,818	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 129,047	\$ 0	\$ 129,047	(Sch 3)
170	.20-.39	Fringe Benefits	6800	26,467	(344)	26,123	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800		0	0	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 155,514	\$ (344)	\$ 155,170	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900		0	0	(Sch 6)
174	.49	Agency Staff	6900		0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900		0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		<b>Subtotal 155 - 174</b>		\$ 2,756,072	\$ (17,205)	\$ 2,738,867	
200		<b>Total</b>		\$ 10,610,986	\$ (29,799)	\$ 10,581,187	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 287,944	
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\* For informational purposes only, this amount is included in various cost centers above.

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

Provider NPI:  
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OSHPD Facility Number:  
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Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ				
005	1	Plant Operations and Maintenance - Salaries and Wages	0							
005	2	Plant Operations and Maintenance - Fringe Benefits	(245)	(245)						
005	3	Plant Operations and Maintenance - Agency Staff	0							
005	4	Plant Operations and Maintenance - Other - Nonlabor	0							
010	1	Housekeeping - Salaries and Wages	0							
010	2	Housekeeping - Fringe Benefits	(443)	(443)						
010	3	Housekeeping - Agency Staff	0							
010	4	Housekeeping - Other - Nonlabor	0							
015	4	Depreciation: Buildings and Improvements	0							
020	4	Depreciation: Leasehold Improvements	0							
025	4	Depreciation: Equipment	0							
030	4	Depreciation and Amortization - Other	0							
035	4	Leases and Rentals	0							
040	4	Property Taxes	0							
045	4	Property Insurance	0							
050	4	Interest - Property, Plant, and Equipment	0							
055	4	Interest - Other	0							
060	1	Laundry and Linen - Salaries and Wages	0							
060	2	Laundry and Linen - Fringe Benefits	(156)	(156)						
060	3	Laundry and Linen - Agency Staff	0							
060	4	Laundry and Linen - Other - Nonlabor	0							
065	1	Dietary - Salaries and Wages	0							
065	2	Dietary - Fringe Benefits	(996)	(996)						
065	3	Dietary - Agency Staff	0							
065	4	Dietary - Other - Nonlabor	0							
070	4	Provision for Bad Debts	0							
075	1	Patient Supplies - Salaries and Wages	0							
075	2	Patient Supplies - Fringe Benefits	0							
075	3	Patient Supplies - Agency Staff	0							
075	4	Patient Supplies - Other - Nonlabor	0							
077	1	Specialized Support Surfaces - Salaries and Wages	0							
077	2	Specialized Support Surfaces - Fringe Benefits	0							
077	3	Specialized Support Surfaces - Agency Staff	0							
077	4	Specialized Support Surfaces - Other - Nonlabor	0							
080	1	Physical Therapy - Salaries and Wages	0							
080	2	Physical Therapy - Fringe Benefits	(1,354)	(1,354)						
080	3	Physical Therapy - Agency Staff	0							
080	4	Physical Therapy - Other - Nonlabor	0							
081	1	Respiratory Therapy - Salaries and Wages	0							
081	2	Respiratory Therapy - Fringe Benefits	0							
081	3	Respiratory Therapy - Agency Staff	0							
081	4	Respiratory Therapy - Other - Nonlabor	0							
082	1	Occupational Therapy - Salaries and Wages	0							
082	2	Occupational Therapy - Fringe Benefits	(1,190)	(1,190)						
082	3	Occupational Therapy - Agency Staff	0							
082	4	Occupational Therapy - Other - Nonlabor	0							
083	1	Speech Pathology - Salaries and Wages	0							
083	2	Speech Pathology - Fringe Benefits	(212)	(212)						
083	3	Speech Pathology - Agency Staff	0							



Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

Provider NPI:  
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Line No.	Sub No.	Description	TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ				
128	1	Transitional Inpatient Care - Salaries and Wages	0							
128	2	Transitional Inpatient Care - Fringe Benefits	0							
128	3	Transitional Inpatient Care - Agency Staff	0							
128	4	Transitional Inpatient Care - Other - Nonlabor	0							
130	1	Hospice Inpatient Care - Salaries and Wages	0							
130	2	Hospice Inpatient Care - Fringe Benefits	0							
130	3	Hospice Inpatient Care - Agency Staff	0							
130	4	Hospice Inpatient Care - Other - Nonlabor	0							
135	1	Other Routine Services - Salaries and Wages	0							
135	2	Other Routine Services - Fringe Benefits	0							
135	3	Other Routine Services - Agency Staff	0							
135	4	Other Routine Services - Other - Nonlabor	0							
139	1	Residential Care - Salaries and Wages	0							
139	2	Residential Care - Fringe Benefits	0							
139	3	Residential Care - Agency Staff	0							
139	4	Residential Care - Other - Nonlabor	0							
140	1	Beauty and Barber - Salaries and Wages	0							
140	2	Beauty and Barber - Fringe Benefits	0							
140	3	Beauty and Barber - Agency Staff	0							
140	4	Beauty and Barber - Other - Nonlabor	0							
145	1	Other Nonreimbursable - Salaries and Wages	0							
145	2	Other Nonreimbursable - Fringe Benefits	0							
145	3	Other Nonreimbursable - Agency Staff	0							
145	4	Other Nonreimbursable - Other - Nonlabor	0							
155	1	Social Services - Salaries and Wages	0							
155	2	Social Services - Fringe Benefits	(430)	(430)						
155	3	Social Services - Agency Staff	0							
155	4	Social Services - Other - Nonlabor	0							
160	1	Activities - Salaries and Wages	0							
160	2	Activities - Fringe Benefits	(207)	(207)						
160	3	Activities - Agency Staff	0							
160	4	Activities - Other - Nonlabor	0							
165	1	Administration - Salaries and Wages	0							
165	2	Administration - Fringe Benefits	(1,206)	(1,206)						
165	3	Administration - Agency Staff	0							
165	4	Administration - Other - Nonlabor	(14,631)		(14,631)					
166	1	Medical Records - Salaries and Wages	0							
166	2	Medical Records - Fringe Benefits	(387)	(387)						
166	3	Medical Records - Agency Staff	0							
166	4	Medical Records - Other - Nonlabor	0							
167	4	CDPH Licensing Fees	0							
168	4	Professional Liability Insurance	0							
169	4	Quality Assurance Fees	0							
170	1	Inservice Education - Nursing - Salaries and Wages	0							
170	2	Inservice Education - Nursing - Fringe Benefits	(344)	(344)						
170	3	Inservice Education - Nursing - Agency Staff	0							
170	4	Inservice Education - Nursing - Other - Nonlabor	0							
174	1	Caregiver Training - Salaries and Wages	0							
174	2	Caregiver Training - Fringe Benefits	0							

Provider Name:  
APPLE VALLEY CONVALESCENT HOSPITAL

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

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ				
174	3	Caregiver Training - Agency Staff	0							
174	4	Caregiver Training - Other - Nonlabor	0							
200		Total	(\$29,799)	(15,168)	(14,631)	0	0	0	0	0
			(To Sch 8)							

Provider Name							Fiscal Period			Provider NPI		Adjustments
APPLE VALLEY CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1114902616		6
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>MEMORANDUM ADJUSTMENT</u></b>												
1	Not Reported			8	210		Group Health Insurance To identify Group Health Insurance in the audit for informational purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Section 2300 and 2304		\$0	\$287,944	\$287,944	

Provider Name							Fiscal Period	Provider NPI		Adjustments
APPLE VALLEY CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1114902616		6
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>ADJUSTMENTS TO REPORTED COSTS</b>										
2	10.5	005	2	8A-1	005	2	Plant Operations and Maintenance - Fringe Benefits	\$17,884	(\$245)	\$17,639
	10.5	010	2	8A-1	010	2	Housekeeping - Fringe Benefit:	47,769	(443)	47,326
	10.5	060	2	8A-1	060	2	Laundry and Linen - Fringe Benefit:	13,736	(156)	13,580
	10.5	065	2	8A-1	065	2	Dietary - Fringe Benefits	89,638	(996)	88,642
	10.5	080	2	8A-1	080	2	Physical Therapy - Fringe Benefits	120,580	(1,354)	119,226
	10.5	082	2	8A-1	082	2	Occupational Therapy - Fringe Benefits	82,081	(1,190)	80,891
	10.5	083	2	8A-1	083	2	Speech Pathology - Fringe Benefits	18,357	(212)	18,145
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	638,244	(7,998)	630,246
	10.5	155	2	8A-1	155	2	Social Services - Fringe Benefits	33,152	(430)	32,722
	10.5	160	2	8A-1	160	2	Activities - Fringe Benefits	30,653	(207)	30,446
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	123,980	(1,206)	122,774
	10.5	166	2	8A-1	166	2	Medical Records - Fringe Benefits	27,727	(387)	27,340
	10.5	170	2	8A-1	170	2	Inservice Education - Nursing - Fringe Benefits	26,467	(344)	26,123
							To adjust the worker's compensation expense to agree with the provider's worker's compensation insurance policies, and to eliminate prior year worker's compensation expense. 42 CFR 413.5, 413.20, 413.24, and 460.204 CMS Pub. 15-1, Sections 2300, 2302.1, and 2304			
3	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	\$947,856	(\$14,631)	\$933,225
							To adjust home office costs to agree with the filed North American Health Care, Inc. Home Office Cost Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304			

Provider Name							Fiscal Period		Provider NPI		Adjustments
APPLE VALLEY CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1114902616		6
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 PATIENT DAYS</u></b>											
4	4.1	5	2	1	15	N/A	Medi-Cal Patient Days To adjust reported Medi-Cal Nursing Facility days to agree with the following Fiscal Intermediary Payment Data: Report Date: November 08, 2012 Payment Period: January 1, 2011 through October 31, 2012 Service Period: January 1, 2011 through December 31, 2011 42 CFR, 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2304, 2404 and 2408 CCR, Title 22, Section 51541	11,975	(11,975)	0	
5	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 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	11,975	11,975	
6	4.1	5	6	1	12	N/A	Total Patient Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	29,245	(6)	29,239	