

**REPORT
ON THE
RATE SETTING AUDIT**

**EDGEWATER HEALTH CARE, INC.
LONG BEACH, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1629053913**

**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: Rita Lopez**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: June 21, 2013

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

EDGEWATER HEALTH CARE, INC.
NATIONAL PROVIDER IDENTIFIER (NPI) 1629053913
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 was limited to a review of the cost report and accompanying financial statements, Medi-Cal payment data reports, prior fiscal period's Medi-Cal program audit report, and Medicare audit report for the current fiscal period, if applicable and available.

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 that include a summary of the total due the State in the amount of \$1,412, which resulted from Medi-Cal overpayments

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

Spencer Olsen
Page 2

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.

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:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility No.:
206190261

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
SKILLED NURSING CARE				
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	\$ N/A	\$ 2,517,120	\$ 92.05
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 563,201	\$ 20.60
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 618,388	\$ 22.61
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 476,801	\$ 17.44
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 13,062	\$ 0.48
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 13,901	\$ 0.51
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 70,620	\$ 2.58
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 266,401	\$ 9.74
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 862,337	\$ 31.53
11	Cost of Routine Service/Audited Total Costs	\$ 5,455,508.00	\$ 5,401,832	\$ 197.54
12	Total Patient Days (Adj)	27,346	27,346	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 199.50	\$ 197.54	
14	Overpayments (Adj 6)	\$ 0	\$ 1,412	
15	Medi-Cal Days (Adj 4, 5)	15,195	15,271	
16	Medi-Cal Managed Care Days (Adj)		0	
INTERMEDIATE CARE				
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
18	Total Patient Days (Adj)		0	
19	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
20	Overpayments (Adj)	\$	\$ 0	
MENTALLY DISORDERED CARE				
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
22	Total Patient Days (Adj)		0	
23	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
24	Overpayments (Adj)	\$	\$ 0	
DEVELOPMENTALLY DISABLED CARE				
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
26	Total Patient Days (Adj)		0	
27	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
28	Overpayments (Adj)	\$	\$ 0	
SUBACUTE CARE				
29	Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)	\$ N/A	\$ 0	\$ 0.00 *
30	Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)	\$ N/A	\$ 0	\$ 0.00 *
31	Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27)	\$ N/A	\$ 0	\$ 0.00 *
32	Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)	\$ N/A	\$ 0	\$ 0.00 *
33	Property Taxes (Subacute Care Sch. 1, Ln. 29)	\$ N/A	\$ 0	\$ 0.00 *
34	CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)	\$ N/A	\$ 0	\$ 0.00 *
35	Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)	\$ N/A	\$ 0	\$ 0.00 *
36	Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)	\$ N/A	\$ 0	\$ 0.00 *
37	Caregiver Training (Subacute Care Sch. 1, Ln. 33)	\$ N/A	\$ 0	\$ 0.00 *
38	Cost of Administration (Subacute Care Sch.1, Ln. 34)	\$ N/A	\$ 0	\$ 0.00 *
39	Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)	\$ 0	\$ 0	\$ 0.00 *
40	Total Patient Days (Subacute Care Sch. 1, Ln. 36)	0	0	
41	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
42	Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)	\$ 0	\$ 0	

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility No.:
206190261

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

* (From Subacute Care Schedule 1)

ALLOCATION OF GENERAL SERVICES
DIRECT CARE LABOR

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility No.:
206190261

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Svcs	Activities	Total
			155	160	
GENERAL SERVICES					
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 51,903	\$ 51,903		
160	Activities	81,751		\$ 81,751	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
ANCILLARY SERVICES					
075	Patient Supplies	0	0	0	0 ***
077	Specialized Support Surfaces	N/A	0	0	0 ***
080	Physical Therapy	507,426	0	0	507,426 ***
081	Respiratory Therapy	0	0	0	0 ***
082	Occupational Therapy	330,160	0	0	330,160 ***
083	Speech Pathology	15,365	0	0	15,365 ***
085	Pharmacy	0	0	0	0 ***
090	Laboratory	0	0	0	0 ***
095	Home Health Services	0	0	0	0 ***
100	Other Ancillary Services	0	0	0	0 ***
101	Subacute Care Ancillary Services	0	0	0	0 ***
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0 ***
ROUTINE SERVICES					
105	Skilled Nursing Care	2,383,466	51,903	81,751	2,517,120 *
110	Intermediate Care	0	0	0	0 *
115	Mentally Disordered Care	0	0	0	0 *
120	Developmentally Disabled Care	0	0	0	0 *
125	Subacute Care	0	0	0	0 **
126	Subacute Care - Pediatric	0	0	0	0 *
128	Transitional Inpatient Care	0	0	0	0 *
130	Hospice Inpatient Care	0	0	0	0 *
135	Other Routine Services	0	0	0	0 *
NONREIMBURSABLE					
139	Residential Care	0	0	0	0
140	Beauty and Barber	0	0	0	0
145	Other Nonreimbursable	0	0	0	0
	TOTAL	\$ 3,370,071	\$ 51,903	\$ 81,751	\$ 3,370,071

* (To Schedule 1)
 ** (To Subacute Care Schedule 1)
 *** (To Subacute Care Schedule 2)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
EDGEWATER HEALTH CARE, INC

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 116,056	\$ 116,056										
010	Housekeeping	72,414	-	\$ 72,414									
060	Laundry and Linen	71,268	5,278	3,293	\$ 79,839								
065	Dietary	256,423	8,075	5,038	0	\$ 269,536							
155	Social Services	N/A	3,313	2,067	0	0	\$ 5,380						
160	Activities	N/A	0	0	0	0	0	\$ -					
165	Administration	N/A	5,480	3,419	0	0	0	0		\$ 8,899	\$ 8,899		
166	Medical Records	82,704	5,303	3,309	0	0	0	0		91,316		\$ 91,316	
170	Inservice Education - Nursing	7,599	957	597	0	0	0	0	\$ 9,154				
ANCILLARY SERVICES													
075	Patient Supplies		945	589	0	0	0	0	0	1,534	84	861	\$ 2,479 ***
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0 ***
080	Physical Therapy		6,311	3,938	0	0	0	0	0	10,249	1,060	10,882	22,191 ***
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0 ***
082	Occupational Therapy		0	0	0	0	0	0	0	0	780	8,006	8,786 ***
083	Speech Pathology		0	0	0	0	0	0	0	0	52	529	580 ***
085	Pharmacy		983	613	0	0	0	0	0	1,596	385	3,948	5,929 ***
090	Laboratory		0	0	0	0	0	0	0	0	40	414	454 ***
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	124	1,275	1,399 ***
101	Subacute Care Ancillary Services		0	0	0	0	0	0	0	0	0	0	0 ***
102	Subacute Care - Pediatric Ancillary Services		0	0	0	0	0	0	0	0	0	0	0 ***
ROUTINE SERVICES													
105	Skilled Nursing Care		78,593	49,038	79,839	269,536	5,380	0	9,154	491,540	6,363	65,298	563,201 *
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care		0	0	0	0	0	0	0	0	0	0	0 **
126	Subacute Care - Pediatric		0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0 *
NONREIMBURSABLE													
139	Residential Care		0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber		819	511	0	0	0	0	0	1,330	10	105	1,445
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 606,464	\$ 116,056	\$ 72,414	\$ 79,839	\$ 269,536	\$ 5,380	\$ -	\$ 9,154	\$ 506,249	\$ 8,899	\$ 91,316	\$ 606,464

* (To Schedule 1)

** (To Subacute Care Schedule 1)

*** (To Subacute Care Schedule 2)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
EDGEWATER HEALTH CARE, INC

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 135,302	\$ 135,302										
010	Housekeeping	27,089	0	\$ 27,089									
060	Laundry and Linen	30,656	6,153	1,232	\$ 38,041								
065	Dietary	185,403	9,414	1,885	0	\$ 196,701							
155	Social Services	0	3,862	773	0	0	\$ 4,636						
160	Activities	4,759	0	0	0	0	0	\$ 4,759					
165	Administration	N/A	6,388	1,279	0	0	0	0		\$ 7,667	\$ 7,667		
166	Medical Records	26,059	6,183	1,238	0	0	0	0		33,480		\$ 33,480	
170	Inservice Education - Nursing	0	1,116	223	0	0	0	0	\$ 1,340				
ANCILLARY SERVICES													
075	Patient Supplies	46,108	1,101	221	0	0	0	0	0	47,430	72	316	\$ 47,818 ***
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0 ***
080	Physical Therapy	118,856	7,358	1,473	0	0	0	0	0	127,687	914	3,990	132,590 ***
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0 ***
082	Occupational Therapy	166,511	0	0	0	0	0	0	0	166,511	672	2,935	170,118 ***
083	Speech Pathology	17,438	0	0	0	0	0	0	0	17,438	44	194	17,676 ***
085	Pharmacy	237,357	1,146	229	0	0	0	0	0	238,732	332	1,448	240,511 ***
090	Laboratory	25,659	0	0	0	0	0	0	0	25,659	35	152	25,845 ***
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0 ***
100	Other Ancillary Services	79,077	0	0	0	0	0	0	0	79,077	107	467	79,651 ***
101	Subacute Care Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0 ***
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0 ***
ROUTINE SERVICES													
105	Skilled Nursing Care	233,517	91,626	18,345	38,041	196,701	4,636	4,759	1,340	588,965	5,483	23,940	618,388 *
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care	0	0	0	0	0	0	0	0	0	0	0	0 **
126	Subacute Care - Pediatric	0	0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0 *
NONREIMBURSABLE													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	187	955	191	0	0	0	0	0	1,333	9	39	1,380
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 1,333,978	\$ 135,302	\$ 27,089	\$ 38,041	\$ 196,701	\$ 4,636	\$ 4,759	\$ 1,340	\$ 1,292,831	\$ 7,667	\$ 33,480	\$ 1,333,978

* (To Schedule 1)

** (To Subacute Care Schedule 1)

*** (To Subacute Care Schedule 2)

ALLOCATION OF CAPITAL COSTS

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Capital	Plant Ops	Hskpng	Laundry	Dietary	Soc Srvs	Activities
				Various	5	10	60	65	155	160
GENERAL SERVICES										
	Capital Related (excluding lines 40 & 45)	\$ 532,450	97%							
	Property Tax (line 40)	14,587	3%	\$ 547,037						
005	Plant Operations and Maintenance			5,932	\$ 5,932					
010	Housekeeping			0	0	\$ -				
060	Laundry and Linen			24,609	270	0	\$ 24,879			
065	Dietary			37,648	413	0	0	\$ 38,060		
155	Social Services			15,447	169	0	0	0	\$ 15,616	
160	Activities			0	0	0	0	0	0	\$ -
165	Administration			25,549	280	0	0	0	0	0
166	Medical Records			24,726	271	0	0	0	0	0
170	Inservice Education - Nursing			4,464	49	0	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			4,405	48	0	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			29,425	323	0	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	0	0	0	0	0	0
083	Speech Pathology			0	0	0	0	0	0	0
085	Pharmacy			4,581	50	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
ROUTINE SERVICES										
105	Skilled Nursing Care			366,434	4,017	0	24,879	38,060	15,616	0
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
NONREIMBURSABLE										
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			3,818	42	0	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 547,037	100%	\$ 547,037	\$ 5,932	\$ -	\$ 24,879	\$ 38,060	\$ 15,616	\$ -

* (To Schedule 1)
 ** (To Subacute Care Schedule 1)
 *** (To Subacute Care Schedule 2)

ALLOCATION OF CAPITAL COSTS

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 532,450	97%							
	Property Tax (line 40)	14,587	3%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 25,829	\$ 25,829				
166	Medical Records				24,998		\$ 24,998			
170	Inservice Education - Nursing			\$ 4,513						
	ANCILLARY SERVICES									
075	Patient Supplies			0	4,453	244	236	\$ 4,932	\$ 4,801	\$ 132 ***
077	Specialized Support Surfaces			0	0	0	0	0	0	0 ***
080	Physical Therapy			0	29,748	3,078	2,979	35,804	34,850	955 ***
081	Respiratory Therapy			0	0	0	0	0	0	0 ***
082	Occupational Therapy			0	0	2,264	2,191	4,456	4,337	119 ***
083	Speech Pathology			0	0	150	145	294	286	8 ***
085	Pharmacy			0	4,631	1,117	1,081	6,829	6,647	182 ***
090	Laboratory			0	0	117	113	230	224	6 ***
095	Home Health Services			0	0	0	0	0	0	0 ***
100	Other Ancillary Services			0	0	361	349	709	691	19 ***
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0 ***
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
	ROUTINE SERVICES									
105	Skilled Nursing Care			4,513	453,519	18,469	17,875	489,863	476,801	13,062 *
110	Intermediate Care			0	0	0	0	0	0	0 *
115	Mentally Disordered Care			0	0	0	0	0	0	0 *
120	Developmentally Disabled Care			0	0	0	0	0	0	0 *
125	Subacute Care			0	0	0	0	0	0	0 **
126	Subacute Care - Pediatric			0	0	0	0	0	0	0 *
128	Transitional Inpatient Care			0	0	0	0	0	0	0 *
130	Hospice Inpatient Care			0	0	0	0	0	0	0 *
135	Other Routine Services			0	0	0	0	0	0	0 *
	NONREIMBURSABLE									
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			0	3,859	30	29	3,918	3,814	104
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 547,037	100%	\$ 4,513	\$ 496,211	\$ 25,829	\$ 24,998	\$ 547,037	\$ 532,450	\$ 14,587

* (To Schedule 1)

** (To Subacute Care Schedule 1)

*** (To Subacute Care Schedule 2)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
EDGEWATER HEALTH CARE, INC

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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. 71% of Total	DPH Licensing Fees 1% of Total	Professional Liability Ins. 6% of Total	Quality Assur. Fees 22% of Total	Caregiver Training 0% of Total
GENERAL SERVICES														
045	Property Insurance	\$ 8,963												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	1,196,981												
	Total Costs Allocable as Administration	1,205,944	71%											
167	CDPH Licensing Fees	19,440	1%											
168	Professional Liability Insurance	98,759	6%											
169	Quality Assurance Fees	372,551	22%											
174	Caregiver Training	0	0%											
	Total	1,696,694	100%						\$ 1,696,694					
ANCILLARY SERVICES														
075	Patient Supplies			\$ -	\$ 1,534	\$ 47,430	\$ 4,453	\$ 53,417	15,998	\$ 11,371	\$ 183	\$ 931	\$ 3,513	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			507,426	10,249	127,687	29,748	675,109	202,186	143,706	2,317	11,769	44,395	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			330,160	0	166,511	0	496,671	148,746	105,723	1,704	8,658	32,661	0
083	Speech Pathology			15,365	0	17,438	0	32,803	9,824	6,983	113	572	2,157	0
085	Pharmacy			0	1,596	238,732	4,631	244,959	73,362	52,143	841	4,270	16,108	0
090	Laboratory			0	0	25,659	0	25,659	7,685	5,462	88	447	1,687	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	79,077	0	79,077	23,682	16,833	271	1,378	5,200	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
ROUTINE SERVICES														
105	Skilled Nursing Care			2,517,120	491,540	588,965	453,519	4,051,144	1,213,259	862,337	13,901	70,620	266,401	0
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE														
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	1,330	1,333	3,859	6,522	1,953	1,388	22	114	429	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	\$ 1,696,694		\$ 3,370,071	\$ 506,249	\$ 1,292,831	\$ 496,211	\$ 5,665,361	\$ 1,696,694					
	Total Administrative Costs							\$ 1,696,694		\$ 1,205,944	\$ 19,440	\$ 98,759	\$ 372,551	\$ -
	Unit Cost Multiplier							0.29948558						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 100,215	\$ 41,147	\$ 50,826	\$ 192,189							
	TOTAL FACILITY COSTS							\$ 7,554,244						

* (To Schedule 1)
 ** (To Subacute Care Schedule 1)
 *** (To Subacute Care Schedule 2)

STATISTICS FOR COST ALLOCATION

Provider Name:
EDGEWATER HEALTH CARE, INC

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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)
	GENERAL SERVICES										
005	Plant Operations and Maintenance	101									
010	Housekeeping										
060	Laundry and Linen	419	419	419							
065	Dietary	641	641	641							
155	Social Services	263	263	263							
160	Activities										
165	Administration	435	435	435							
166	Medical Records	421	421	421							
170	Inservice Education - Nursing	76	76	76							
	ANCILLARY SERVICES										
075	Patient Supplies	75	75	75						53,417	53,417
077	Specialized Support Surfaces									0	0
080	Physical Therapy	501	501	501						675,109	675,109
081	Respiratory Therapy									0	0
082	Occupational Therapy									496,671	496,671
083	Speech Pathology									32,803	32,803
085	Pharmacy	78	78	78						244,959	244,959
090	Laboratory									25,659	25,659
095	Home Health Services									0	0
100	Other Ancillary Services									79,077	79,077
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	6,239	6,239	6,239	103,656	81,288	2,616,983	2,616,983	2,616,983	4,051,144	4,051,144
110	Intermediate Care						0	0	0	0	0
115	Mentally Disordered Care						0	0	0	0	0
120	Developmentally Disabled Care						0	0	0	0	0
125	Subacute Care						0	0	0	0	0
126	Subacute Care - Pediatric						0	0	0	0	0
128	Transitional Inpatient Care						0	0	0	0	0
130	Hospice Inpatient Care						0	0	0	0	0
135	Other Routine Services						0	0	0	0	0
	NONREIMBURSABLE										
139	Residential Care									0	0
140	Beauty and Barber	65	65	65						6,522	6,522
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	9,314	9,213	9,213	103,656	81,288	2,616,983	2,616,983	2,616,983	5,665,361	5,665,361
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 51,903 0.019833144	\$ 81,751 0.031238644			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 116,056 12.59698253	\$ 72,414 7.85998046	\$ 79,839 0.77023489	\$ 269,536 3.31581431	\$ 5,380 0.00205587	\$ - 0.00000000	\$ 9,154 0.00349782	\$ 8,899 0.00157074	\$ 91,316 0.01611837
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 135,302 14.68598719	\$ 27,089 2.94030175	\$ 38,041 0.36699675	\$ 196,701 2.41980921	\$ 4,636 0.00177140	\$ 4,759 0.00181851	\$ 1,340 0.00051189	\$ 7,667 0.00135339	\$ 33,480 0.00590954
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 547,037 58.73276788	\$ 5,932 0.64387383	\$ - 0.00000000	\$ 24,879 0.24001325	\$ 38,060 0.46821705	\$ 15,616 0.00596720	\$ - 0.00000000	\$ 4,513 0.00172436	\$ 25,829 0.00455908	\$ 24,998 0.00441235

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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	\$ 95,739	\$ 0	\$ 95,739	(Sch 3)
005	.20-.39	Fringe Benefits	6200	20,414	(97)	20,317	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	135,302	0	135,302	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 251,455	\$ (97)	\$ 251,358	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 59,410	\$ 0	\$ 59,410	(Sch 3)
010	.20-.39	Fringe Benefits	6300	13,063	(59)	13,004	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	27,089	0	27,089	(Sch 4)
010		Housekeeping - Total	6300	\$ 99,562	\$ (59)	\$ 99,503	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 0	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	86,864	0	86,864	(Sch 5)
025		Depreciation: Equipment	7140	68,046	0	68,046	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	0	0	0	(Sch 5)
035		Leases and Rentals	7200	371,764	0	371,764	(Sch 5)
040		Property Taxes	7300	14,587	0	14,587	(Sch 5)
045		Property Insurance	7400	8,963	0	8,963	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500	5,776	0	5,776	(Sch 6)
055		Interest - Other	7600	\$ 0	\$ 0	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 907,017	\$ (156)	\$ 906,861	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 59,814	\$ 0	\$ 59,814	(Sch 3)
060	.20-.39	Fringe Benefits	6400	11,514	(60)	11,454	(Sch 3)
060	.79	Agency Staff	6400	0	0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	30,656	0	30,656	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 101,984	\$ (60)	\$ 101,924	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 211,138	\$ 0	\$ 211,138	(Sch 3)
065	.20-.39	Fringe Benefits	6500	45,673	(388)	45,285	(Sch 3)
065	.79	Agency Staff	6500	0	0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	185,403	0	185,403	(Sch 4)
065		Dietary - Total	6500	\$ 442,214	\$ (388)	\$ 441,826	
070		Provision for Bad Debts	7700	\$ 0	0	\$ 0	
		Ancillary Services					
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	46,108	0	46,108	(Sch 4)
075		Patient Supplies - Total	8100	\$ 46,108	\$ 0	\$ 46,108	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	\$ 0	\$ 0	\$ 0	N/A
077	.20-.39	Fringe Benefits	8150	0	0	0	N/A
077	.79	Agency Staff	8150	0	0	0	N/A
077	.40-.99	Other - Nonlabor	8150	0	0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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	\$ 427,834	\$ 0	\$ 427,834	(Sch 2)
080	.20-.39	Fringe Benefits	8200	80,019	(427)	79,592	(Sch 2)
080	.79	Agency Staff	8200	0	0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	118,856	0	118,856	(Sch 4)
080		Physical Therapy - Total	8200	\$ 626,709	\$ (427)	\$ 626,282	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	\$ 0	\$ 0	\$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220	0	0	0	(Sch 2)
081	.79	Agency Staff	8220	0	0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220	0	0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 0	\$ 0	\$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$ 285,875	\$ 0	\$ 285,875	(Sch 2)
082	.20-.39	Fringe Benefits	8250	44,581	(296)	44,285	(Sch 2)
082	.79	Agency Staff	8250	0	0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	166,511	0	166,511	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 496,967	\$ (296)	\$ 496,671	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$ 13,730	\$ 0	\$ 13,730	(Sch 2)
083	.20-.39	Fringe Benefits	8280	1,650	(15)	1,635	(Sch 2)
083	.79	Agency Staff	8280	0	0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	17,438	0	17,438	(Sch 4)
083		Speech Pathology - Total	8280	\$ 32,818	\$ (15)	\$ 32,803	
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	237,357	0	237,357	(Sch 4)
085		Pharmacy - Total	8300	\$ 237,357	\$ 0	\$ 237,357	
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	25,659	0	25,659	(Sch 4)
090		Laboratory - Total	8400	\$ 25,659	\$ 0	\$ 25,659	
095		Home Health Services					
095	.01-.19	Salaries and Wages	8800	\$ 0	\$ 0	\$ 0	(Sch 2)
095	.20-.39	Fringe Benefits	8800	0	0	0	(Sch 2)
095	.79	Agency Staff	8800	0	0	0	(Sch 2)
095	.40-.99	Other - Nonlabor	8800	0	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	79,077	0	79,077	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 79,077	\$ 0	\$ 79,077	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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	\$ 0	(Sch 2)
101	.20-.39	Fringe Benefits	8100-8900	0	0	0	(Sch 2)
101	.79	Agency Staff	8100-8900	0	0	0	(Sch 2)
101	.40-.99	Other - Nonlabor	8100-8900	0	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	\$ 0	(Sch 2)
102	.20-.39	Fringe Benefits	8100-8900	0	0	0	(Sch 2)
102	.79	Agency Staff	8100-8900	0	0	0	(Sch 2)
102	.40-.99	Other - Nonlabor	8100-8900	0	0	0	(Sch 4)
102		Subacute Care - Pediatric Ancillary Services - Total	8100-8900	\$ 0	\$ 0	\$ 0	
104		Subtotal 075 - 102		\$ 1,544,695	\$ (738)	\$ 1,543,957	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,955,204	\$ 0	\$ 1,955,204	(Sch 2)
105	.20-.39	Fringe Benefits	6110	432,619	(4,357)	428,262	(Sch 2)
105	.49	Agency Staff	6110	0	0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	233,517	0	233,517	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 2,621,340	\$ (4,357)	\$ 2,616,983	
110		Intermediate Care					
110	.01-.19	Salaries and Wages	6120	\$ 0	\$ 0	\$ 0	
110	.20-.39	Fringe Benefits	6120	0	0	0	
110	.49	Agency Staff	6120	0	0	0	
110	.40-.99	Other - Nonlabor	6120	0	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	\$ 0	
115	.20-.39	Fringe Benefits	6130	0	0	0	
115	.49	Agency Staff	6130	0	0	0	
115	.40-.99	Other - Nonlabor	6130	0	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	\$ 0	
120	.20-.39	Fringe Benefits	6140	0	0	0	
120	.49	Agency Staff	6140	0	0	0	
120	.40-.99	Other - Nonlabor	6140	0	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	\$ 0	(Sch 2)
125	.20-.39	Fringe Benefits	6150	0	0	0	(Sch 2)
125	.49	Agency Staff	6150	0	0	0	(Sch 2)
125	.40-.99	Other - Nonlabor	6150	0	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	\$ 0	(Sch 2)
126	.20-.39	Fringe Benefits	6160	0	0	0	(Sch 2)
126	.49	Agency Staff	6160	0	0	0	(Sch 2)
126	.40-.99	Other - Nonlabor	6160	0	0	0	(Sch 4)
126		Subacute Care - Pediatric - Total	6160	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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	\$ 0
128	.20-.39	Fringe Benefits	6170	0	0	0
128	.49	Agency Staff	6170	0	0	0
128	.40-.99	Other - Nonlabor	6170	0	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	\$ 0
130	.20-.39	Fringe Benefits	6180	0	0	0
130	.49	Agency Staff	6180	0	0	0
130	.40-.99	Other - Nonlabor	6180	0	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	\$ 0
135	.20-.39	Fringe Benefits	6190	0	0	0
135	.49	Agency Staff	6190	0	0	0
135	.40-.99	Other - Nonlabor	6190	0	0	0
135		Other Routine Services - Total	6190	\$ 0	\$ 0	\$ 0 (Sch 2)
		Other Nonreimbursable				
139		Residential Care				
139	.01-.19	Salaries and Wages	9100	\$ 0	\$ 0	\$ 0 (Sch 2)
139	.20-.39	Fringe Benefits	9100	0	0	0 (Sch 2)
139	.49	Agency Staff	9100	0	0	0 (Sch 2)
139	.40-.99	Other - Nonlabor	9100	0	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	0 (Sch 2)
140	.49	Agency Staff	8900	0	0	0 (Sch 2)
140	.40-.99	Other - Nonlabor	8900	187	0	187 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 187	\$ 0	\$ 187
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$ 0	\$ 0	\$ 0 (Sch 2)
145	.20-.39	Fringe Benefits	9100	0	0	0 (Sch 2)
145	.49	Agency Staff	9100	0	0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100	0	0	0 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
146		Subtotal 105 - 145		\$ 2,621,527	\$ (4,357)	\$ 2,617,170
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 41,439	\$ 0	\$ 41,439 (Sch 2)
155	.20-.39	Fringe Benefits	6600	10,506	(42)	10,464 (Sch 2)
155	.49	Agency Staff	6600	0	0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	0	0	0 (Sch 4)
155		Social Services - Total	6600	\$ 51,945	\$ (42)	\$ 51,903

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
EDGEWATER HEALTH CARE, INC

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

Provider NPI:
1629053913

OSHPD Facility Number:
206190261

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	\$ 64,764	\$ 0	\$ 64,764	(Sch 2)
160	.20-.39	Fringe Benefits	6700	17,053	(66)	16,987	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	4,759	0	4,759	(Sch 4)
160		Activities - Total	6700	\$ 86,576	\$ (66)	\$ 86,510	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 580,037	\$ 0	\$ 580,037	(Sch 6)
165	.20-.39	Fringe Benefits	6900	118,082	(691)	117,391	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	510,178	(10,625)	499,553	(Sch 6)
165		Administration - Total	6900	\$ 1,208,297	\$ (11,316)	\$ 1,196,981	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 68,773	\$ 0	\$ 68,773	(Sch 3)
166	.20-.39	Fringe Benefits	6900	14,001	(70)	13,931	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	26,059	0	26,059	(Sch 4)
166		Medical Records - Total	6900	\$ 108,833	\$ (70)	\$ 108,763	
167		CDPH Licensing Fees	6900	\$ 19,440	\$ 0	\$ 19,440	(Sch 6)
168		Professional Liability Insurance	6900	\$ 98,759	\$ 0	\$ 98,759	(Sch 6)
169		Quality Assurance Fees	6900	\$ 372,551	\$ 0	\$ 372,551	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 5,066	\$ 0	\$ 5,066	(Sch 3)
170	.20-.39	Fringe Benefits	6800	2,540	(7)	2,533	(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	\$ 7,606	\$ (7)	\$ 7,599	
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	
		Subtotal 155 - 174		\$ 1,954,007	\$ (11,501)	\$ 1,942,506	
200		Total		\$ 7,571,444	\$ (17,200)	\$ 7,554,244	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 176,700	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name:
EDGEWATER HEALTH CARE, INC

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.	Description	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	(97)		(97)					
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	(59)		(59)					
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	(60)		(60)					
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	(388)		(388)					
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	(427)		(427)					
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	(296)		(296)					
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	(15)		(15)					
083	3	Speech Pathology - Agency Staff	0							

Provider Name:
EDGEWATER HEALTH CARE, INC

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.	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	(42)		(42)					
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	(66)		(66)					
160	3	Activities - Agency Staff	0							
160	4	Activities - Other - Nonlabor	0							
165	1	Administration - Salaries and Wages	0							
165	2	Administration - Fringe Benefits	(691)		(691)					
165	3	Administration - Agency Staff	0							
165	4	Administration - Other - Nonlabor	(10,625)		(10,625)					
166	1	Medical Records - Salaries and Wages	0							
166	2	Medical Records - Fringe Benefits	(70)		(70)					
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	(7)		(7)					
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:
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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	(\$17,200)	(10,625)	(6,575)	0	0	0	0	0
			(To Sch 8)							

Provider Name							Fiscal Period			Provider NPI		Adjustments
EDGEWATER HEALTH CARE, INC							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1629053913		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						
<u>MEMORANDUM ADJUSTMENT</u>												
1	Not Reported			8	210	N/A	Facility 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	\$176,700	\$176,700

Provider Name							Fiscal Period	Provider NPI	Adjustments	
EDGEWATER HEALTH CARE, INC							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1629053913	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				
<u>ADJUSTMENTS TO REPORTED COST</u>										
2	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To adjust home office costs to agree with the filed North American Healthl Care, Inc. Home Office Cost Report for fiscal period endec December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	\$510,178	(\$10,625)	\$499,553
3	10.5	005	2	8A-1	005	2	Plant Operations and Maintenance - Fringe Benefits	\$20,414	(\$97)	\$20,317
	10.5	010	2	8A-1	010	2	Housekeeping - Fringe Benefits	13,063	(59)	13,004
	10.5	060	2	8A-1	060	2	Laundry and Linen - Fringe Benefits	11,514	(60)	11,454
	10.5	065	2	8A-1	065	2	Dietary - Fringe Benefits	45,673	(388)	45,285
	10.5	080	2	8A-1	080	2	Physical Therapy - Fringe Benefits	80,019	(427)	79,592
	10.5	082	2	8A-1	082	2	Occupational Therapy - Fringe Benefits	44,581	(296)	44,285
	10.5	083	2	8A-1	083	2	Speech Pathology - Fringe Benefits	1,650	(15)	1,635
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	432,619	(4,357)	428,262
	10.5	155	2	8A-1	155	2	Social Services - Fringe Benefits	10,506	(42)	10,464
	10.5	160	2	8A-1	160	2	Activities - Fringe Benefits	17,053	(66)	16,987
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	118,082	(691)	117,391
	10.5	166	2	8A-1	166	2	Medical Records - Fringe Benefits	14,001	(70)	13,931
	10.5	170	2	8A-1	170	2	Inservice Education - Nursing - Fringe Benefits To adjust reported workers' compensation expense to agree with actual cost incurred by provider. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304	2,540	(7)	2,533

Provider Name							Fiscal Period			Provider NPI		Adjustments
EDGEWATER HEALTH CARE, INC							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1629053913		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						
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>												
4	4.1	5	2	1	15	N/A	Medi-Cal Days To adjust Medi-Cal days in excess of patient census report. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	15,195	(12)	15,183 *		

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
EDGEWATER HEALTH CARE, INC							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1629053913		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						
ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA												
5	4.1	5	2	1	15	N/A	Medi-Cal Days	*	15,183	88	15,271	
							To adjust reported Medi-Cal 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 16, 2012 Report Date: October 17, 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					

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
EDGEWATER HEALTH CARE, INC							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1629053913		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						
<u>ADJUSTMENT TO OTHER MATTER</u>												
6	Not Reported			1	14	N/A	Overpayments To recover overpayments for overstated Medi-Cal patient days. 42 CFR 433.139, 413.20 and 413.24 and 431.07 CMS Pub. 15-1, Section 2409 CCR, Title 22, Section 51458.1		\$0	\$1,412	\$1,412	