

**REPORT  
ON THE  
RATE SETTING AUDIT**

**A & C CONVALESCENT HOSPITAL OF MILLBRAE  
MILLBRAE, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1275703571**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Louise Wong  
Audit Supervisor: David Mui  
Auditor: Mandy Lin**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

April 15, 2013

Carmen Preston-Foo, Administrator  
A & C Convalescent Hospital of Millbrae  
33 Mateo Avenue  
Millbrae, CA 94030

A & C CONVALESCENT HOSPITAL OF MILLBRAE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1275703571  
FISCAL PERIOD ENDED DECEMBER 31, 2011

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

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

This audit report includes the:

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

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

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

Carmen Preston-Foo  
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If you disagree with the decision of the Department, you may appeal by writing to:

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief  
Audits Section—Richmond  
Financial Audits Branch

Certified

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

## Provider Name:

A &amp; C CONVALESCENT HOSPITAL OF MILLBRAE

## Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

## Provider NPI:

1275703571

## OSHPD Facility No.:

206410896

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	\$ 3,754,451	\$ 83.34
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 1,058,974	\$ 23.51
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 914,321	\$ 20.29
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 760,910	\$ 16.89
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 34,225	\$ 0.76
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 30,770	\$ 0.68
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 74,631	\$ 1.66
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 623,080	\$ 13.83
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 907,799	\$ 20.15
11	Cost of Routine Service/Audited Total Costs	\$ 7,917,872	\$ 8,159,161	\$ 181.11
12	Total Patient Days (Adj 15)	42,862	45,052	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 184.73	\$ 181.11	
14	Overpayments (Adj )	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 16)	40,614	3,920	
16	Medi-Cal Managed Care Days (Adj 17)		36,694	
<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:

A &amp; C CONVALESCENT HOSPITAL OF MILLBRAE

## Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

## Provider NPI:

1275703571

## OSHPD Facility No.:

206410896

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)	\$ 345,181	\$ 0	
54	Total Patient Days (Adj 15)	2,190	0	
55	Cost Per Patient Day (Cost Divided by Days)	\$ 157.62	\$ 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:  
A & C CONVALESCENT HOSPITAL OF MILLBRAE

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

Provider NPI:  
1275703571

OSHPD Facility No.:  
206410896

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	\$ 86,957	\$ 86,957		
160	Activities	122,243		\$ 122,243	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
<b>ANCILLARY SERVICES</b>					
075	Patient Supplies	0	0	0	0
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	0	0	0	0
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	0	0	0	0
083	Speech Pathology	0	0	0	0
085	Pharmacy	0	0	0	0
090	Laboratory	0	0	0	0
095	Home Health Services	0	0	0	0
100	Other Ancillary Services	0	0	0	0
101	Subacute Care Ancillary Services	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0
<b>ROUTINE SERVICES</b>					
105	Skilled Nursing Care	3,545,251	86,957	122,243	3,754,451
110	Intermediate Care	0	0	0	0
115	Mentally Disordered Care	0	0	0	0
120	Developmentally Disabled Care	0	0	0	0
125	Subacute Care	0	0	0	0
126	Subacute Care - Pediatric	0	0	0	0
128	Transitional Inpatient Care	0	0	0	0
130	Hospice Inpatient Care	0	0	0	0
135	Other Routine Services	0	0	0	0
<b>NONREIMBURSABLE</b>					
139	Residential Care	0	0	0	0
140	Beauty and Barber	0	0	0	0
145	Other Nonreimbursable	0	0	0	0
	<b>TOTAL</b>	<b>\$ 3,754,451</b>	<b>\$ 86,957</b>	<b>\$ 122,243</b>	<b>\$ 3,754,451</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
A & C CONVALESCENT HOSPITAL OF MILLBRAE

Provider NPI:  
1275703571

OSHPD Facility Number:  
206410896

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	\$ 98,570	\$ 98,570										
010	Housekeeping	237,111	338	\$ 237,449									
060	Laundry and Linen	192,586	6,417	15,512	\$ 214,515								
065	Dietary	381,230	13,141	31,765	0	\$ 426,137							
155	Social Services	N/A	640	1,546	0	0	\$ 2,186						
160	Activities	N/A	609	1,472	0	0	0	\$ 2,081					
165	Administration	N/A	4,672	11,294	0	0	0	0		\$ 15,966	\$ 15,966		
166	Medical Records	69,783	983	2,375	0	0	0	0		73,141		\$ 73,141	
170	Inservice Education - Nursing	95,359	0	0	0	0	0	0	\$ 95,359				
	<b>ANCILLARY SERVICES</b>												
075	Patient Supplies		450	1,089	0	0	0	0	0	1,539	36	166	\$ 1,741
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		711	1,719	0	0	0	0	0	2,431	383	1,755	4,569
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		711	1,719	0	0	0	0	0	2,431	160	734	3,325
083	Speech Pathology		711	1,719	0	0	0	0	0	2,431	90	412	2,933
085	Pharmacy		0	0	0	0	0	0	0	0	234	1,072	1,306
090	Laboratory		0	0	0	0	0	0	0	0	38	176	214
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	16	75	91
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		68,797	166,298	214,515	426,137	2,186	2,081	95,359	975,373	14,979	68,622	1,058,974 *
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		389	940	0	0	0	0	0	1,329	28	128	1,485
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 1,074,639	\$ 98,570	\$ 237,449	\$ 214,515	\$ 426,137	\$ 2,186	\$ 2,081	\$ 95,359	\$ 985,533	\$ 15,966	\$ 73,141	\$ 1,074,639

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
A & C CONVALESCENT HOSPITAL OF MILLBRAE

Provider NPI:  
1275703571

OSHPD Facility Number:  
206410896

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	\$ 270,085	\$ 270,085										
010	Housekeeping	47,940	925	\$ 48,865									
060	Laundry and Linen	17,239	17,583	3,192	\$ 38,014								
065	Dietary	279,066	36,008	6,537	0	\$ 321,611							
155	Social Services	15	1,753	318	0	0	\$ 2,086						
160	Activities	3,643	1,669	303	0	0	0	\$ 5,615					
165	Administration	N/A	12,802	2,324	0	0	0	0		\$ 15,126	\$ 15,126		
166	Medical Records	0	2,692	489	0	0	0	0		3,181		\$ 3,181	
170	Inservice Education - Nursing	242	0	0	0	0	0	0	\$ 242				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	8,657	1,234	224	0	0	0	0	0	10,115	34	7	\$ 10,156
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	152,415	1,949	354	0	0	0	0	0	154,718	363	76	155,157
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	57,546	1,949	354	0	0	0	0	0	59,849	152	32	60,033
083	Speech Pathology	27,600	1,949	354	0	0	0	0	0	29,903	85	18	30,006
085	Pharmacy	99,656	0	0	0	0	0	0	0	99,656	222	47	99,924
090	Laboratory	16,349	0	0	0	0	0	0	0	16,349	36	8	16,393
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	6,971	0	0	0	0	0	0	0	6,971	16	3	6,990
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	306,848	188,507	34,223	38,014	321,611	2,086	5,615	242	897,146	14,191	2,984	914,321 *
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	6,090	1,066	193	0	0	0	0	0	7,349	27	6	7,381
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,300,362</b>	<b>\$ 270,085</b>	<b>\$ 48,865</b>	<b>\$ 38,014</b>	<b>\$ 321,611</b>	<b>\$ 2,086</b>	<b>\$ 5,615</b>	<b>\$ 242</b>	<b>\$ 1,282,055</b>	<b>\$ 15,126</b>	<b>\$ 3,181</b>	<b>\$ 1,300,362</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:

A & C CONVALESCENT HOSPITAL OF MILLBRAE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1275703571

OSHPD Facility Number:

206410896

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)	\$ 787,547	96%							
	Property Tax (line 40)	35,423	4%	\$ 822,970						
005	Plant Operations and Maintenance			21,349	\$ 21,349					
010	Housekeeping			2,747	73	\$ 2,820				
060	Laundry and Linen			52,187	1,390	184	\$ 53,761			
065	Dietary			106,872	2,846	377	0	\$ 110,095		
155	Social Services			5,202	139	18	0	0	\$ 5,359	
160	Activities			4,952	132	17	0	0	0	\$ 5,102
165	Administration			37,996	1,012	134	0	0	0	0
166	Medical Records			7,990	213	28	0	0	0	0
170	Inservice Education - Nursing			0	0	0	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			3,662	98	13	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			5,785	154	20	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			5,785	154	20	0	0	0	0
083	Speech Pathology			5,785	154	20	0	0	0	0
085	Pharmacy			0	0	0	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care			559,495	14,901	1,975	53,761	110,095	5,359	5,102
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			3,163	84	11	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 822,970</b>	<b>100%</b>	<b>\$ 822,970</b>	<b>\$ 21,349</b>	<b>\$ 2,820</b>	<b>\$ 53,761</b>	<b>\$ 110,095</b>	<b>\$ 5,359</b>	<b>\$ 5,102</b>

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
A & C CONVALESCENT HOSPITAL OF MILLBRAE

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

Provider NPI:  
1275703571

OSHPD Facility Number:  
206410896

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 96% Of Total	Property Tax 4% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 787,547	96%							
	Property Tax (line 40)	35,423	4%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 39,142	\$ 39,142				
166	Medical Records				8,231		\$ 8,231			
170	Inservice Education - Nursing			\$ -						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	3,773	89	19	\$ 3,880	\$ 3,713	\$ 167
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	5,959	939	198	7,096	6,790	305
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	5,959	393	83	6,435	6,158	277
083	Speech Pathology			0	5,959	220	46	6,226	5,958	268
085	Pharmacy			0	0	574	121	695	665	30
090	Laboratory			0	0	94	20	114	109	5
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	40	8	49	46	2
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			0	750,688	36,724	7,723	795,135	760,910	34,225
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	3,258	69	14	3,341	3,198	144
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 822,970	100%	\$ -	\$ 775,596	\$ 39,142	\$ 8,231	\$ 822,970	\$ 787,547	\$ 35,423

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
A & C CONVALESCENT HOSPITAL OF MILLBRAE

Provider NPI:  
1275703571

OSHPD Facility Number:  
206410896

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. 55% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 5% of Total	Quality Assur. Fees 38% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 11,703												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	955,876												
	Total Costs Allocable as Administration	967,579	55%											
167	CDPH Licensing Fees	32,796	2%											
168	Professional Liability Insurance	79,546	5%											
169	Quality Assurance Fees	664,111	38%											
174	Caregiver Training	0	0%											
	Total	1,744,032	100%						\$ 1,744,032					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 1,539	\$ 10,115	\$ 3,773	\$ 15,427	3,958	\$ 2,196	\$ 74	\$ 181	\$ 1,507	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	2,431	154,718	5,959	163,108	41,848	23,217	787	1,909	15,935	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	2,431	59,849	5,959	68,239	17,508	9,713	329	799	6,667	0
083	Speech Pathology			0	2,431	29,903	5,959	38,293	9,825	5,451	185	448	3,741	0
085	Pharmacy			0	0	99,656	0	99,656	25,568	14,185	481	1,166	9,736	0
090	Laboratory			0	0	16,349	0	16,349	4,195	2,327	79	191	1,597	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	6,971	0	6,971	1,789	992	34	82	681	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			3,754,451	975,373	897,146	750,688	6,377,657	1,636,281	907,799	30,770	74,631	623,080	0
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0
<b>NONREIMBURSABLE</b>														
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	1,329	7,349	3,258	11,936	3,062	1,699	58	140	1,166	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 1,744,032		\$ 3,754,451	\$ 985,533	\$ 1,282,055	\$ 775,596	\$ 6,797,636	\$ 1,744,032					
	Total Administrative Costs							\$ 1,744,032		\$ 967,579	\$ 32,796	\$ 79,546	\$ 664,111	\$ -
	Unit Cost Multiplier							0.25656451						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 89,106	\$ 18,307	\$ 47,374	\$ 154,786							
	<b>TOTAL FACILITY COSTS</b>							\$ 8,696,454						

\* (To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
A & C CONVALESCENT HOSPITAL OF MILLBRAE

Provider NPI:  
1275703571

OSHPD Facility Number:  
206410896

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 11)	Plant Ops (SQ FT) 5 (Adj 11)	Hskpng (SQ FT) 10 (Adjs 11, 14)	Laundry (LBS) 60 (Adj 12)	Dietary (MEALS) 65 (Adj 13)	Soc Svcs (DIRECT EXP) 155	Activities (DIRECT EXP) 160	Inserv. Ed (DIRECT EXP) 170	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	513									
010	Housekeeping	66	66								
060	Laundry and Linen	1,254	1,254	1,254							
065	Dietary	2,568	2,568	2,568							
155	Social Services	125	125	125							
160	Activities	119	119	119							
165	Administration	913	913	913							
166	Medical Records	192	192	192							
170	Inservice Education - Nursing										
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	88	88	88						15,427	15,427
077	Specialized Support Surfaces									0	0
080	Physical Therapy	139	139	139						163,108	163,108
081	Respiratory Therapy									0	0
082	Occupational Therapy	139	139	139						68,239	68,239
083	Speech Pathology	139	139	139						38,293	38,293
085	Pharmacy									99,656	99,656
090	Laboratory									16,349	16,349
095	Home Health Services									0	0
100	Other Ancillary Services									6,971	6,971
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	13,444	13,444	13,444	390,247	133,494	3,852,099	3,852,099	3,852,099	6,377,657	6,377,657
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	76	76	76						11,936	11,936
145	Other Nonreimbursable									0	0
	<b>TOTAL STATISTICS</b>	19,775	19,262	19,196	390,247	133,494	3,852,099	3,852,099	3,852,099	6,797,636	6,797,636
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 86,957 0.022573927	\$ 122,243 0.031734127			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 98,570 5.11732946	\$ 237,449 12.36969909	\$ 214,515 0.54968964	\$ 426,137 3.19217860	\$ 2,186 0.00056745	\$ 2,081 0.00054021	\$ 95,359 0.02475508	\$ 15,966 0.00234871	\$ 73,141 0.01075970
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 270,085 14.02164884	\$ 48,865 2.54560475	\$ 38,014 0.09741096	\$ 321,611 2.40917725	\$ 2,086 0.00054150	\$ 5,615 0.00145752	\$ 242 0.00006282	\$ 15,126 0.00222517	\$ 3,181 0.00046794
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 822,970 41.61668774	\$ 21,349 1.10836677	\$ 2,820 0.14689798	\$ 53,761 0.13776257	\$ 110,095 0.82472002	\$ 5,359 0.00139119	\$ 5,102 0.00132441	\$ - 0.00000000	\$ 39,142 0.00575819	\$ 8,231 0.00121092

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:

A & C CONVALESCENT HOSPITAL OF MILLBRAE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1275703571

OSHPD Facility Number:

206410896

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	\$ 82,442	\$ 0	\$ 82,442	(Sch 3)
005	.20-.39	Fringe Benefits	6200	16,128	0	16,128	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	270,085	0	270,085	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 368,655	\$ 0	\$ 368,655	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 197,125	\$ 0	\$ 197,125	(Sch 3)
010	.20-.39	Fringe Benefits	6300	39,752	0	39,752	(Sch 3)
010	.79	Agency Staff	6300	234	0	234	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	47,940	0	47,940	(Sch 4)
010		Housekeeping - Total	6300	\$ 285,051	\$ 0	\$ 285,051	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	3,162	0	3,162	(Sch 5)
025		Depreciation: Equipment	7140	39,816	0	39,816	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	49,583	(49,583)	0	(Sch 5)
035		Leases and Rentals	7200	744,569	0	744,569	(Sch 5)
040		Property Taxes	7300	35,423	0	35,423	(Sch 5)
045		Property Insurance	7400	11,703	0	11,703	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	\$	\$ 0	\$ 0	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 1,537,962	\$ (49,583)	\$ 1,488,379	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 158,225	\$ 0	\$ 158,225	(Sch 3)
060	.20-.39	Fringe Benefits	6400	33,964	0	33,964	(Sch 3)
060	.79	Agency Staff	6400	397	0	397	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	17,239	0	17,239	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 209,825	\$ 0	\$ 209,825	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 319,210	\$ 0	\$ 319,210	(Sch 3)
065	.20-.39	Fringe Benefits	6500	61,822	0	61,822	(Sch 3)
065	.79	Agency Staff	6500	198	0	198	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	279,066	0	279,066	(Sch 4)
065		Dietary - Total	6500	\$ 660,296	\$ 0	\$ 660,296	
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	2,330	6,327	8,657	(Sch 4)
075		Patient Supplies - Total	8100	\$ 2,330	\$ 6,327	\$ 8,657	
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:

A & C CONVALESCENT HOSPITAL OF MILLBRAE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1275703571

OSHPD Facility Number:

206410896

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
080		Physical Therapy					
080	.01-.19	Salaries and Wages	8200	\$	\$ 0	\$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200		0	0	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	152,415	0	152,415	(Sch 4)
080		Physical Therapy - Total	8200	\$ 152,415	\$ 0	\$ 152,415	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	\$	\$ 0	\$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220		0	0	(Sch 2)
081	.79	Agency Staff	8220		0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220		0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 0	\$ 0	\$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$	\$ 0	\$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250		0	0	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	57,546	0	57,546	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 57,546	\$ 0	\$ 57,546	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$	\$ 0	\$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280		0	0	(Sch 2)
083	.79	Agency Staff	8280		0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	27,600	0	27,600	(Sch 4)
083		Speech Pathology - Total	8280	\$ 27,600	\$ 0	\$ 27,600	
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	99,656	0	99,656	(Sch 4)
085		Pharmacy - Total	8300	\$ 99,656	\$ 0	\$ 99,656	
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	16,349	0	16,349	(Sch 4)
090		Laboratory - Total	8400	\$ 16,349	\$ 0	\$ 16,349	
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	6,971	0	6,971	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 6,971	\$ 0	\$ 6,971	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:

A & C CONVALESCENT HOSPITAL OF MILLBRAE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1275703571

OSHPD Facility Number:

206410896

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		\$ 362,867	\$ 6,327	\$ 369,194	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,893,408	\$ 152,285	\$ 3,045,693	(Sch 2)
105	.20-.39	Fringe Benefits	6110	464,442	24,444	488,886	(Sch 2)
105	.49	Agency Staff	6110	10,672	0	10,672	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	296,983	9,865	306,848	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 3,665,505	\$ 186,594	\$ 3,852,099	
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:

A & C CONVALESCENT HOSPITAL OF MILLBRAE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1275703571

OSHPD Facility Number:

206410896

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	\$ 152,285	\$ (152,285)	\$ 0
130	.20-.39	Fringe Benefits	6180	24,444	(24,444)	0
130	.49	Agency Staff	6180		0	0
130	.40-.99	Other - Nonlabor	6180	16,192	(16,192)	0
130		Hospice Inpatient Care - Total	6180	\$ 192,921	\$ (192,921)	\$ 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		6,090	6,090 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 0	\$ 6,090	\$ 6,090
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>		\$ 3,858,426	\$ (237)	\$ 3,858,189
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 70,750	\$ 0	\$ 70,750 (Sch 2)
155	.20-.39	Fringe Benefits	6600	14,302	0	14,302 (Sch 2)
155	.49	Agency Staff	6600	1,905	0	1,905 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	15	0	15 (Sch 4)
155		Social Services - Total	6600	\$ 86,972	\$ 0	\$ 86,972

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:

A & C CONVALESCENT HOSPITAL OF MILLBRAE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1275703571

OSHPD Facility Number:

206410896

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	\$ 102,403	\$ 0	\$ 102,403	(Sch 2)
160	.20-.39	Fringe Benefits	6700	19,840	0	19,840	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	3,643	0	3,643	(Sch 4)
160		Activities - Total	6700	\$ 125,886	\$ 0	\$ 125,886	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 439,646	\$ 0	\$ 439,646	(Sch 6)
165	.20-.39	Fringe Benefits	6900	103,300	0	103,300	(Sch 6)
165	.49	Agency Staff	6900	98,923	0	98,923	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	367,615	(53,608)	314,007	(Sch 6)
165		Administration - Total	6900	\$ 1,009,484	\$ (53,608)	\$ 955,876	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 58,689	\$ 0	\$ 58,689	(Sch 3)
166	.20-.39	Fringe Benefits	6900	11,094	0	11,094	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900		0	0	(Sch 4)
166		Medical Records - Total	6900	\$ 69,783	\$ 0	\$ 69,783	
167		CDPH Licensing Fees	6900	\$ 32,796	\$ 0	\$ 32,796	(Sch 6)
168		Professional Liability Insurance	6900	\$ 79,546	\$ 0	\$ 79,546	(Sch 6)
169		Quality Assurance Fees	6900	\$ 664,111	\$ 0	\$ 664,111	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 80,281	\$ 0	\$ 80,281	(Sch 3)
170	.20-.39	Fringe Benefits	6800	15,078	0	15,078	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	242	0	242	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 95,601	\$ 0	\$ 95,601	
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>		\$ 2,164,179	\$ (53,608)	\$ 2,110,571	
200		<b>Total</b>		\$ 8,793,555	\$ (97,101)	\$ 8,696,454	

210	0.24	Total Facility Group Health Insurance * (Adj 1)	6900			\$ 4,785	
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\* For informational purposes only, this amount is included in various cost centers above.

















Provider Name							Fiscal Period	Provider NPI		Adjustments
A & C CONVALESCENT HOSPITAL OF MILLBRAE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1275703571		17
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	N/A			8	210	N/A	Group Health Insurance To include Group Health Insurance in the audit report for informational purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$0	\$4,785	\$4,785

Provider Name							Fiscal Period	Provider NPI		Adjustments
A & C CONVALESCENT HOSPITAL OF MILLBRAE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1275703571		17
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>RECLASSIFICATIONS OF REPORTED COSTS</u></b>										
2	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$2,893,408	\$152,285	\$3,045,693
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefit:	464,442	24,444	488,886
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	296,983	16,192	313,175 *
	10.5	130	1	8A-1	130	1	Hospice Inpatient Care - Salaries and Wage:	152,285	(152,285)	0
	10.5	130	2	8A-1	130	2	Hospice Inpatient Care - Fringe Benefits	24,444	(24,444)	0
	10.5	130	4	8A-1	130	4	Hospice Inpatient Care - Other - Nonlabor	16,192	(16,192)	0
							To reclassify Hospice care expense as the provider's Hospice care does not qualify as a separate cost entity. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2336			
3	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	\$2,330	\$6,327	\$8,657
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	* 313,175	(6,327)	306,848
							To reclassify oxygen and other medical gases expense to the appropriate ancillary cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2202.8, 2203.2, 2300, and 2304 CCR, Title 22, Section 51511			

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
A & C CONVALESCENT HOSPITAL OF MILLBRAE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1275703571		17
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	\$367,615		
4							To eliminate accounting fees expense not applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		(\$8,700)	
5							To eliminate medical billing service fees expense not applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		(3,000)	
6							To eliminate administration purchase service expense not applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		(14,188)	
7							To eliminate CAHF lobby fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2139, 2300, and 2304		(2,520)	
8							To eliminate billing service fees not applicable to the audit facility. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302, 2304, and 2306		(25,200)	
									(\$53,608)	\$314,007
9	10.5	030	4	8A-1	030	4	Depreciation and Amortization - Other To eliminate nonallowable goodwill amortization not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 1214, 1218.1, 2102.3, 2300, and 2304	\$49,583	(\$49,583)	\$0

Provider Name							Fiscal Period		Provider NPI		Adjustments
A & C CONVALESCENT HOSPITAL OF MILLBRAE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1275703571		17
Report References							Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.					
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>											
10	10.5	140	4	8A-1	140	4	Beauty and Barber To reverse the provider's abatement of Beauty and Barber revenue and reclassify such expenses to a nonreimbursable cost center. 42 CFR 413.9, 413.20, and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2328 CMS Pub. 15-2, Section 3613	\$0	\$6,090	\$6,090	

Provider Name							Fiscal Period		Provider NPI		Adjustments
A & C CONVALESCENT HOSPITAL OF MILLBRAE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1275703571		17
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.					
<b><u>ADJUSTMENTS TO REPORTED STATISTICS</u></b>											
11	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care (Square Feet)	13,252	192	13,444	
	10.7	130	1,2,3	7	130	N/A	Hospice Inpatient Care	192	(192)	0	
							To reclassify square footage statistics to agree with the provider's records and in conjunction with adjustment number 2. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306				
12	10.7	105	4	7	105	N/A	Skilled Nursing Care (Pounds of Laundry)	371,041	19,206	390,247	
	10.7	130	4	7	130	N/A	Hospice Inpatient Care	19,206	(19,206)	0	
							To reclassify laundry and linen statistics to agree with the provider's records and in conjunction with adjustment number 2. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306				
13	10.7	105	5	7	105	N/A	Skilled Nursing Care (Number of Patient Meals)	126,924	6,570	133,494	
	10.7	130	5	7	130	N/A	Hospice Inpatient Care	6,570	(6,570)	0	
							To reclassify dietary statistics to agree with the provider's records and in conjunction with adjustment number 2. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306				
14	10.7	140	3	7	140	N/A	Beauty and Barber (Square Feet)	0	76	76	
	10.7	155	3	7	155	N/A	Social Services	0	125	125	
	10.7	160	3	7	160	N/A	Activities	0	119	119	
	10.7	165	3	7	165	N/A	Administration	0	913	913	
	10.7	166	3	7	166	N/A	Medical Records	0	192	192	
	10.7	N/A	3	7	N/A	N/A	Total Statistics - Square Feet - Housekeeping	17,771	1,425	19,196	
							To adjust square footage statistics to agree with the provider's record. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306				

Provider Name							Fiscal Period			Provider NPI		Adjustments
A & C CONVALESCENT HOSPITAL OF MILLBRAE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1275703571		17
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>												
15	4.1	5	6	1	12	N/A	Skilled Nursing Care - Total Patient Days	42,862	2,190	45,052		
	4.1	40	6	1	54	N/A	Hospice Inpatient Care - Total Patient Days To reclassify Hospice Inpatient Care total patient days in conjunction with adjustment number 2. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	2,190	(2,190)	0		
16	4.1	5	2	1	15	N/A	Medi-Cal Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through September 10, 2012 Report Date: September 13, 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	40,614	(36,694)	3,920		
17	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	36,694	36,694		