

**REPORT
ON THE
RATE SETTING AUDIT**

**HEARTWOOD AVENUE HEALTHCARE
VALLEJO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1245288083**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Gary Diffenderffer
Auditors: Lucille Ramos, Mony Sor, Jennifer White, and Firas Yaghmour**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 30, 2013

Terri L. Roche
Reimbursement Manager
Evergreen Healthcare Management, LLC
4601 NE 77th Avenue, Suite 300
Vancouver, WA 98662

HEARTWOOD AVENUE HEALTHCARE
NATIONAL PROVIDER IDENTIFIER (NPI) 1245288083
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. We also examined the facility's use of and Records of Noncovered Services deducted from patient share of cost. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

This audit report includes the:

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

Administrator
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If you disagree with the decision of the Department, you may appeal by writing to:

Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

United States Postal Service (USPS)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
PO Box 997413
Sacramento, CA 95899

Courier (UPS, FedEx, etc.)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Sacramento at (916) 650-6994.

Original Signed By

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

Certified

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility No.:
206480965

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	\$ 1,664,272	\$ 93.89
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 418,782	\$ 23.63
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 377,714	\$ 21.31
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 204,212	\$ 11.52
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 12,476	\$ 0.70
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 11,164	\$ 0.63
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 83,878	\$ 4.73
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 188,489	\$ 10.63
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 330,235	\$ 18.63
11	Cost of Routine Service/Audited Total Costs	\$ 3,512,519.00	\$ 3,291,221	\$ 185.68
12	Total Patient Days (Adj 20)	17,528	17,725	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 200.39	\$ 185.68	
14	Overpayments (Adj)	\$	\$ 0	
15	Medi-Cal Days (Adj 22)	14,055	72	
16	Medi-Cal Managed Care Days (Adj 21)		13,964	
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:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility No.:
206480965

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

**ALLOCATION OF GENERAL SERVICES
DIRECT CARE LABOR**

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility No.:
206480965

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs	Activities	Total
			155	160	
	GENERAL SERVICES				
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 41,636	\$ 41,636		
160	Activities	51,381		\$ 51,381	
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	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
	ROUTINE SERVICES				
105	Skilled Nursing Care	1,571,255	41,636	51,381	1,664,272 *
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	78,253	0	0	78,253
	TOTAL	\$ 1,742,525	\$ 41,636	\$ 51,381	\$ 1,742,525

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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	\$ 41,940	\$ 41,940										
010	Housekeeping	74,185	95	\$ 74,280									
060	Laundry and Linen	33,041	169	300	\$ 33,510								
065	Dietary	187,258	2,870	5,095	0	\$ 195,223							
155	Social Services	N/A	5,094	9,042	0	0	\$ 14,136						
160	Activities	N/A	0	0	0	0	0	\$ -					
165	Administration	N/A	1,244	2,208	0	0	0	0		\$ 3,451	\$ 3,451		
166	Medical Records	27,837	423	751	0	0	0	0		29,010		\$ 29,010	
170	Inservice Education - Nursing	67,583	0	0	0	0	0	0	\$ 67,583				
ANCILLARY SERVICES													
075	Patient Supplies		219	389	0	0	0	0	0	607	10	88	\$ 705
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		552	980	0	0	0	0	0	1,532	164	1,378	3,074
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		552	980	0	0	0	0	0	1,532	256	2,153	3,941
083	Speech Pathology		368	653	0	0	0	0	0	1,022	93	785	1,900
085	Pharmacy		194	344	0	0	0	0	0	538	55	460	1,053
090	Laboratory		0	0	0	0	0	0	0	0	16	134	150
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	29	241	270
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		29,772	52,849	33,510	195,223	14,136	0	67,583	393,074	2,733	22,975	418,782 *
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		388	689	0	0	0	0	0	1,077	6	52	1,135
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	89	745	834
	TOTAL	\$ 431,844	\$ 41,940	\$ 74,280	\$ 33,510	\$ 195,223	\$ 14,136	\$ -	\$ 67,583	\$ 399,382	\$ 3,451	\$ 29,010	\$ 431,844

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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	\$ 122,201	\$ 122,201										
010	Housekeeping	37,354	275	\$ 37,629									
060	Laundry and Linen	5,679	493	152	\$ 6,324								
065	Dietary	117,687	8,363	2,581	0	\$ 128,631							
155	Social Services	(130)	14,842	4,581	0	0	\$ 19,293						
160	Activities	1,904	0	0	0	0	0	\$ 1,904					
165	Administration	N/A	3,624	1,118	0	0	0	0	\$ 4,742	\$ 4,742			
166	Medical Records	5,008	1,232	380	0	0	0	0	6,620		\$ 6,620		
170	Inservice Education - Nursing	25	0	0	0	0	0	0	\$ 25				
ANCILLARY SERVICES													
075	Patient Supplies	7,396	638	197	0	0	0	0	0	8,231	14	20	\$ 8,265
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	151,374	1,609	497	0	0	0	0	0	153,479	225	314	154,019
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	240,242	1,609	497	0	0	0	0	0	242,347	352	491	243,190
083	Speech Pathology	85,620	1,073	331	0	0	0	0	0	87,024	128	179	87,331
085	Pharmacy	50,410	565	174	0	0	0	0	0	51,150	75	105	51,330
090	Laboratory	15,386	0	0	0	0	0	0	0	15,386	22	31	15,439
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	27,654	0	0	0	0	0	0	0	27,654	39	55	27,748
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	99,018	86,748	26,773	6,324	128,631	19,293	1,904	25	368,716	3,755	5,243	377,714 *
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	1,241	1,131	349	0	0	0	0	0	2,720	8	12	2,741
145	Other Nonreimbursable	7,213	0	0	0	0	0	0	0	7,213	122	170	7,505
	TOTAL	\$ 975,282	\$ 122,201	\$ 37,629	\$ 6,324	\$ 128,631	\$ 19,293	\$ 1,904	\$ 25	\$ 963,920	\$ 4,742	\$ 6,620	\$ 975,282

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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)	\$ 217,852	94%							
	Property Tax (line 40)	13,309	6%	\$ 231,161						
005	Plant Operations and Maintenance			1,119	\$ 1,119					
010	Housekeeping			518	3	\$ 521				
060	Laundry and Linen			928	5	2	\$ 934			
065	Dietary			15,744	77	36	0	\$ 15,856		
155	Social Services			27,940	136	63	0	0	\$ 28,139	
160	Activities			0	0	0	0	0	0	\$ -
165	Administration			6,821	33	15	0	0	0	0
166	Medical Records			2,319	11	5	0	0	0	0
170	Inservice Education - Nursing			0	0	0	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			1,201	6	3	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			3,029	15	7	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			3,029	15	7	0	0	0	0
083	Speech Pathology			2,019	10	5	0	0	0	0
085	Pharmacy			1,064	5	2	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			163,302	794	371	934	15,856	28,139	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			2,128	10	5	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 231,161	100%	\$ 231,161	\$ 1,119	\$ 521	\$ 934	\$ 15,856	\$ 28,139	\$ -

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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 94% Of Total	Property Tax 6% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 217,852	94%							
	Property Tax (line 40)	13,309	6%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 6,870	\$ 6,870				
166	Medical Records				2,336		\$ 2,336			
170	Inservice Education - Nursing			\$ -						
	ANCILLARY SERVICES									
075	Patient Supplies			0	1,209	21	7	\$ 1,237	\$ 1,166	\$ 71
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	3,050	326	111	3,488	3,287	201
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	3,050	510	173	3,733	3,518	215
083	Speech Pathology			0	2,034	186	63	2,283	2,151	131
085	Pharmacy			0	1,072	109	37	1,218	1,148	70
090	Laboratory			0	0	32	11	43	40	2
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	57	19	77	72	4
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
	ROUTINE SERVICES									
105	Skilled Nursing Care			0	209,397	5,441	1,850	216,687	204,212	12,476
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	2,143	12	4	2,160	2,036	124
145	Other Nonreimbursable			0	0	176	60	236	223	14
	TOTAL	\$ 231,161	100%	\$ -	\$ 221,955	\$ 6,870	\$ 2,336	\$ 231,161	\$ 217,852	\$ 13,309

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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. 54% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 14% of Total	Quality Assur. Fees 31% of Total	Caregiver Training 0% of Total
	GENERAL SERVICES													
045	Property Insurance	\$ 8,189												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	408,798												
	Total Costs Allocable as Administration	416,987	54%											
167	CDPH Licensing Fees	14,097	2%											
168	Professional Liability Insurance	105,912	14%											
169	Quality Assurance Fees	238,004	31%											
174	Caregiver Training	0	0%											
	Total	775,000	100%						\$ 775,000					
	ANCILLARY SERVICES													
075	Patient Supplies			\$ -	\$ 607	\$ 8,231	\$ 1,209	\$ 10,047	2,340	\$ 1,259	\$ 43	\$ 320	\$ 719	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	1,532	153,479	3,050	158,062	36,811	19,806	670	5,031	11,305	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	1,532	242,347	3,050	246,930	57,507	30,942	1,046	7,859	17,661	0
083	Speech Pathology			0	1,022	87,024	2,034	90,079	20,978	11,287	382	2,867	6,442	0
085	Pharmacy			0	538	51,150	1,072	52,760	12,287	6,611	223	1,679	3,773	0
090	Laboratory			0	0	15,386	0	15,386	3,583	1,928	65	490	1,100	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	27,654	0	27,654	6,440	3,465	117	880	1,978	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
	ROUTINE SERVICES													
105	Skilled Nursing Care			1,664,272	393,074	368,716	209,397	2,635,458	613,766	330,235	11,164	83,878	188,489	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	1,077	2,720	2,143	5,941	1,384	744	25	189	425	0
145	Other Nonreimbursable			78,253	0	7,213	0	85,466	19,904	10,709	362	2,720	6,113	0
	SUBTOTAL	\$ 775,000		\$ 1,742,525	\$ 399,382	\$ 963,920	\$ 221,955	\$ 3,327,783	\$ 775,000					
	Total Administrative Costs							\$ 775,000		\$ 416,987	\$ 14,097	\$ 105,912	\$ 238,004	\$ -
	Unit Cost Multiplier							0.23288781						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 32,462	\$ 11,362	\$ 9,206	\$ 53,029							
	TOTAL FACILITY COSTS							\$ 4,155,812						

*(To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 19)	Plant Ops (SQ FT) 5 (Adj 19)	Hskpng (SQ FT) 10 (Adj 19)	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	41									
010	Housekeeping	19	19								
060	Laundry and Linen	34	34	34							
065	Dietary	577	577	577							
155	Social Services	1,024	1,024	1,024							
160	Activities										
165	Administration	250	250	250							
166	Medical Records	85	85	85							
170	Inservice Education - Nursing										
	ANCILLARY SERVICES										
075	Patient Supplies	44	44	44						10,047	10,047
077	Specialized Support Surfaces									0	0
080	Physical Therapy	111	111	111						158,062	158,062
081	Respiratory Therapy									0	0
082	Occupational Therapy	111	111	111						246,930	246,930
083	Speech Pathology	74	74	74						90,079	90,079
085	Pharmacy	39	39	39						52,760	52,760
090	Laboratory									15,386	15,386
095	Home Health Services									0	0
100	Other Ancillary Services									27,654	27,654
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	5,985	5,985	5,985	108,323	52,584	1,670,273	1,670,273	1,670,273	2,635,458	2,635,458
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	78	78	78						5,941	5,941
145	Other Nonreimbursable									85,466	85,466
	TOTAL STATISTICS	8,472	8,431	8,412	108,323	52,584	1,670,273	1,670,273	1,670,273	3,327,783	3,327,783
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 41,636 0.024927662	\$ 51,381 0.030762037			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 41,940 4.97449887	\$ 74,280 8.83018491	\$ 33,510 0.30935590	\$ 195,223 3.71259894	\$ 14,136 0.00846329	\$ - 0.00000000	\$ 67,583 0.04046225	\$ 3,451 0.00103708	\$ 29,010 0.00871764
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 122,201 14.49424742	\$ 37,629 4.47329894	\$ 6,324 0.05838000	\$ 128,631 2.44620558	\$ 19,293 0.01155067	\$ 1,904 0.00113993	\$ 25 0.00001497	\$ 4,742 0.00142494	\$ 6,620 0.00198939
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 231,161 27.28529273	\$ 1,119 0.13268853	\$ 521 0.06192839	\$ 934 0.00862529	\$ 15,856 0.30153484	\$ 28,139 0.01684720	\$ - 0.00000000	\$ - 0.00000000	\$ 6,870 0.00206443	\$ 2,336 0.00070191

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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	\$ 31,013	\$ 0	\$ 31,013	(Sch 3)
005	.20-.39	Fringe Benefits	6200	9,882	1,045	10,927	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	123,701	(1,500)	122,201	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 164,596	\$ (455)	\$ 164,141	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 54,857	\$ 0	\$ 54,857	(Sch 3)
010	.20-.39	Fringe Benefits	6300	17,479	1,849	19,328	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	37,354	0	37,354	(Sch 4)
010		Housekeeping - Total	6300	\$ 109,690	\$ 1,849	\$ 111,539	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	34,714	0	34,714	(Sch 5)
025		Depreciation: Equipment	7140	26,454	0	26,454	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	60,013	0	60,013	(Sch 5)
035		Leases and Rentals	7200	88,941	2,645	91,586	(Sch 5)
040		Property Taxes	7300	13,309	0	13,309	(Sch 5)
045		Property Insurance	7400	8,189	0	8,189	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500	5,085	0	5,085	(Sch 6)
055		Interest - Other	7600	\$ 17,546	\$ (17,546)	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 528,537	\$ (13,507)	\$ 515,030	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 24,433	\$ 0	\$ 24,433	(Sch 3)
060	.20-.39	Fringe Benefits	6400	7,785	823	8,608	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	5,679	0	5,679	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 37,897	\$ 823	\$ 38,720	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 138,471	\$ 0	\$ 138,471	(Sch 3)
065	.20-.39	Fringe Benefits	6500	44,121	4,666	48,787	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	117,687	0	117,687	(Sch 4)
065		Dietary - Total	6500	\$ 300,279	\$ 4,666	\$ 304,945	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		Ancillary Services					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100		7,396	7,396	(Sch 4)
075		Patient Supplies - Total	8100	\$ 0	\$ 7,396	\$ 7,396	
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	7,396	(7,396)	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 7,396	\$ (7,396)	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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		151,374	151,374	(Sch 4)
080		Physical Therapy - Total	8200	\$ 0	\$ 151,374	\$ 151,374	
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	151,374	(151,374)	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 151,374	\$ (151,374)	\$ 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		240,242	240,242	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 0	\$ 240,242	\$ 240,242	
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	240,242	(154,622)	85,620	(Sch 4)
083		Speech Pathology - Total	8280	\$ 240,242	\$ (154,622)	\$ 85,620	
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	85,620	(35,210)	50,410	(Sch 4)
085		Pharmacy - Total	8300	\$ 85,620	\$ (35,210)	\$ 50,410	
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	50,410	(35,024)	15,386	(Sch 4)
090		Laboratory - Total	8400	\$ 50,410	\$ (35,024)	\$ 15,386	
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	15,386	(15,386)	0	(Sch 4)
095		Home Health Services - Total	8800	\$ 15,386	\$ (15,386)	\$ 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		27,654	27,654	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 0	\$ 27,654	\$ 27,654	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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	27,654	(27,654)	0	(Sch 4)
101		Subacute Care Ancillary Services - Total	8100-8900	\$ 27,654	\$ (27,654)	\$ 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		\$ 578,082	\$ 0	\$ 578,082	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,161,890	\$ 0	\$ 1,161,890	(Sch 2)
105	.20-.39	Fringe Benefits	6110	370,216	39,149	409,365	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	99,979	(961)	99,018	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 1,632,085	\$ 38,188	\$ 1,670,273	
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:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED
128		Transitional Inpatient Care				
128	.01-.19	Salaries and Wages	6170	\$	\$ 0	\$ 0
128	.20-.39	Fringe Benefits	6170		0	0
128	.49	Agency Staff	6170		0	0
128	.40-.99	Other - Nonlabor	6170		0	0
128		Transitional Inpatient Care - Total	6170	\$ 0	\$ 0	\$ 0 (Sch 2)
130		Hospice Inpatient Care				
130	.01-.19	Salaries and Wages	6180	\$	\$ 0	\$ 0
130	.20-.39	Fringe Benefits	6180		0	0
130	.49	Agency Staff	6180		0	0
130	.40-.99	Other - Nonlabor	6180		0	0
130		Hospice Inpatient Care - Total	6180	\$ 0	\$ 0	\$ 0 (Sch 2)
135		Other Routine Services				
135	.01-.19	Salaries and Wages	6190	\$	\$ 0	\$ 0
135	.20-.39	Fringe Benefits	6190		0	0
135	.49	Agency Staff	6190		0	0
135	.40-.99	Other - Nonlabor	6190		0	0
135		Other Routine Services - Total	6190	\$ 0	\$ 0	\$ 0 (Sch 2)
		Other Nonreimbursable				
139		Residential Care				
139	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0 (Sch 2)
139	.20-.39	Fringe Benefits	9100		0	0 (Sch 2)
139	.49	Agency Staff	9100		0	0 (Sch 2)
139	.40-.99	Other - Nonlabor	9100	1,241	(1,241)	0 (Sch 4)
139		Residential Care - Total	9100	\$ 1,241	\$ (1,241)	\$ 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		1,241	1,241 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 0	\$ 1,241	\$ 1,241
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$	\$ 70,179	\$ 70,179 (Sch 2)
145	.20-.39	Fringe Benefits	9100		8,074	8,074 (Sch 2)
145	.49	Agency Staff	9100		0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100		7,213	7,213 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 85,466	\$ 85,466
146		Subtotal 105 - 145		\$ 1,633,326	\$ 123,654	\$ 1,756,980
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 30,788	\$ 0	\$ 30,788 (Sch 2)
155	.20-.39	Fringe Benefits	6600	9,810	1,038	10,848 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	(130)	0	(130) (Sch 4)
155		Social Services - Total	6600	\$ 40,468	\$ 1,038	\$ 41,506

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

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

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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	\$ 37,995	\$ 0	\$ 37,995	(Sch 2)
160	.20-.39	Fringe Benefits	6700	12,106	1,280	13,386	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	1,904	0	1,904	(Sch 4)
160		Activities - Total	6700	\$ 52,005	\$ 1,280	\$ 53,285	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 130,520	\$ (70,179)	\$ 60,341	(Sch 6)
165	.20-.39	Fringe Benefits	6900	41,589	(3,677)	37,912	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	528,021	(217,476)	310,545	(Sch 6)
165		Administration - Total	6900	\$ 700,130	\$ (291,332)	\$ 408,798	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 20,585	\$ 0	\$ 20,585	(Sch 3)
166	.20-.39	Fringe Benefits	6900	6,558	694	7,252	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	5,008	0	5,008	(Sch 4)
166		Medical Records - Total	6900	\$ 32,151	\$ 694	\$ 32,845	
167		CDPH Licensing Fees	6900	\$ 14,097	\$ 0	\$ 14,097	(Sch 6)
168		Professional Liability Insurance	6900	\$ 119,862	\$ (13,950)	\$ 105,912	(Sch 6)
169		Quality Assurance Fees	6900	\$ 238,004	\$ 0	\$ 238,004	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 49,975	\$ 0	\$ 49,975	(Sch 3)
170	.20-.39	Fringe Benefits	6800	15,924	1,684	17,608	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	25	0	25	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 65,924	\$ 1,684	\$ 67,608	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900		0	0	(Sch 6)
174	.49	Agency Staff	6900		0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900		0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		Subtotal 155 - 174		\$ 1,262,641	\$ (300,586)	\$ 962,055	
200		Total		\$ 4,340,762	\$ (184,950)	\$ 4,155,812	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 91,190	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name:
HEARTWOOD AVENUE HEALTHCARE

Provider NPI:
1245288083

OSHPD Facility Number:
206480965

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

Line No.	Sub No.		AUDIT ADJ 10	AUDIT ADJ 11	AUDIT ADJ 12	AUDIT ADJ 13	AUDIT ADJ 14	AUDIT ADJ 15	AUDIT ADJ 16	AUDIT ADJ 17	AUDIT ADJ 18
174	3	Caregiver Training - Agency Staff									
174	4	Caregiver Training - Other - Nonlabor									
200		Total	<u>(1,500)</u>	<u>(17,546)</u>	<u>0</u>	<u>(961)</u>	<u>(58,521)</u>	<u>(96,514)</u>	<u>(5,061)</u>	<u>(60,322)</u>	<u>(1,150)</u>

Provider Name							Fiscal Period			Provider NPI		Adjustments
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1245288083		22
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	Total Facility Group Health Insurance To include Group Health Insurance in the audit report fo informational purposes only 42 CFR 413.20 and 413.24 CMS Pub 15-1, Sections 2300 and 2304	\$0	\$91,190	\$91,190		

Provider Name							Fiscal Period	Provider NPI		Adjustments	
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245288083		22	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>											
2	10.5	035	4	8A-1	035	4	Leases and Rentals	\$88,941	\$881	\$89,822 *	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	528,021	(881)	527,140 *	
							To reclassify copier lease expenses from the using cost center to the Leases and Rentals cost center. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 52000(e) and 52501				
3	10.5	035	4	8A-1	035	4	Leases and Rentals	* \$89,822	\$1,764	\$91,586	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* 527,140	(1,764)	525,376 *	
							To reclassify computer license expenses from the using cost center to the Leases and Rentals cost center. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 52000(e) and 52501				
4	10.5	145	1	8A-1	145	1	Other Nonreimbursable - Salaries and Wages	\$0	\$70,179	\$70,179	
	10.5	145	2	8A-1	145	2	Other Nonreimbursable - Fringe Benefits	0	8,074	8,074	
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	130,520	(70,179)	60,341	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	41,589	(8,074)	33,515 *	
							To reclassify the portion of the admissions coordinator's salary and benefits expenses related to marketing to a nonreimbursable cost center. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2328				
5	10.5	145	4	8A-1	145	4	Other Nonreimbursable - Other - Nonlabor	\$0	\$1,139	\$1,139 *	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* 525,376	(1,139)	524,237 *	
							To reclassify a portion of the admissions coordinator's business meals, telephone and communications expenses related to marketing to a nonreimbursable cost center. 42 CFR 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, and 2328				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245288083		22	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>											
6	10.5	145	4	8A-1	145	4	Other Nonreimbursable - Other - Nonlabor	*	\$1,139	\$6,074	\$7,213
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	524,237	(6,074)	518,163 *
							To reclassify marketing expense to a nonreimbursable cost center. 42 CFR 413.5, 413.9 and 413.24 CMS Pub. 15-1, Sections 2136.2, 2304, and 2328				
7	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	\$518,163	\$13,950	\$532,113 *
	10.5	168	4	8A-1	168	4	Administration - Professional Liability Insurance		119,862	(13,950)	105,912
							To reclassify the provider's captive insurance offset to the appropriate cost center for proper cost determination. 42 CFR 413.24 / CMS Pub. 15-1, Sections 2304 and 2162 CCR, Title 22, Sections 52000(b), 52501, and 52507				

Provider Name							Fiscal Period	Provider NPI		Adjustments	
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245288083		22	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Adj. No.	Cost Report			Audit Report							
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
8	10.5	005	2	8A-1	005	2	Plant Operations and Maintenance - Fringe Benefits	\$9,882	(\$638)	\$9,244 *	
	10.5	010	2	8A-1	010	2	Housekeeping - Fringe Benefits	17,479	(1,128)	16,351 *	
	10.5	060	2	8A-1	060	2	Laundry and Linen - Fringe Benefits	7,785	(503)	7,282 *	
	10.5	065	2	8A-1	065	2	Dietary - Fringe Benefits	44,121	(2,848)	41,273 *	
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	370,216	(23,899)	346,317 *	
	10.5	155	2	8A-1	155	2	Social Services - Fringe Benefits	9,810	(633)	9,177 *	
	10.5	160	2	8A-1	160	2	Activities - Fringe Benefits	12,106	(782)	11,324 *	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	* 33,515	(2,685)	30,830 *	
	10.5	166	2	8A-1	166	2	Medical Records - Fringe Benefits	6,558	(423)	6,135 *	
	10.5	170	2	8A-1	170	2	Inservice Education - Nursing - Fringe Benefits	15,924	(1,028)	14,896 *	
							To eliminate health insurance expense for the self-insurance plan reported in account 7-62-8707-0-1, in conjunction with adjustment 9. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2161, 2162.2, 2162.5, 2162.7, 2162.9, 2300, 2304, and 2305				
9	10.5	005	2	8A-1	005	2	Plant Operations and Maintenance - Fringe Benefits	* \$9,244	\$1,683	\$10,927	
	10.5	010	2	8A-1	010	2	Housekeeping - Fringe Benefits	* 16,351	2,977	19,328	
	10.5	060	2	8A-1	060	2	Laundry and Linen - Fringe Benefits	* 7,282	1,326	8,608	
	10.5	065	2	8A-1	065	2	Dietary - Fringe Benefits	* 41,273	7,514	48,787	
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	* 346,317	63,048	409,365	
	10.5	155	2	8A-1	155	2	Social Services - Fringe Benefits	* 9,177	1,671	10,848	
	10.5	160	2	8A-1	160	2	Activities - Fringe Benefits	* 11,324	2,062	13,386	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	* 30,830	7,082	37,912	
	10.5	166	2	8A-1	166	2	Medical Records - Fringe Benefits	* 6,135	1,117	7,252	
	10.5	170	2	8A-1	170	2	Inservice Education - Nursing - Fringe Benefits	* 14,896	2,712	17,608	
							To include self-insured health paid claims and administrative fees to agree with the provider's records in conjunction with adjustment 8. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304				

Provider Name							Fiscal Period	Provider NPI		Adjustments
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1245288083		22
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 COSTS</u>										
10	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor To eliminate patient television costs. 42 CFR 413.9(c)(3), 413.24, and 413.50 CMS Pub. 15-1, Sections 2106.1 and 2304	\$123,701	(\$1,500)	\$122,201
11	10.5	055	4	8A-1	055	4	Interest - Other To eliminate interest expense due to insufficient supporting documentation that the borrowing was necessary, proper, reasonable, and related to patient care. 42 CFR 413.9, 413.2, 413.24, and 413.153 CMS Pub. 15-1, Sections 202, 202.1, 202.2, 2300, and 2304	\$17,546	(\$17,546)	\$0
12	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	\$0	\$7,396	\$7,396
	10.5	077	4	8A-1	077	4	Specialized Support Surfaces - Other - Nonlabor	7,396	(7,396)	0
	10.5	080	4	8A-1	080	4	Physical Therapy - Other - Nonlabor	0	151,374	151,374
	10.5	081	4	8A-1	081	4	Respiratory Therapy - Other - Nonlabor	151,374	(151,374)	0
	10.5	082	4	8A-1	082	4	Occupational Therapy - Other - Nonlabor	0	240,242	240,242
	10.5	083	4	8A-1	083	4	Speech Pathology - Other - Nonlabor	240,242	(154,622)	85,620
	10.5	085	4	8A-1	085	4	Pharmacy - Other - Nonlabor	85,620	(35,210)	50,410
	10.5	090	4	8A-1	090	4	Laboratory - Other - Nonlabor	50,410	(35,024)	15,386
	10.5	095	4	8A-1	095	4	Home Health Services - Other - Nonlabor	15,386	(15,386)	0
	10.5	100	4	8A-1	100	4	Other Ancillary Services - Other - Nonlabor	0	27,654	27,654
	10.5	101	4	8A-1	101	4	Subacute Care Ancillary Services - Other - Nonlabor	27,654	(27,654)	0
	10.5	139	4	8A-1	139	4	Residential Care - Other - Nonlabor	1,241	(1,241)	0
	10.5	140	4	8A-1	140	4	Beauty and Barber - Other - Nonlabor To reconcile the reported expenses to agree with the provider's records. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	0	1,241	1,241
13	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To eliminate smoker's apron expense for nonpatient care related items. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2104.3	\$99,979	(\$961)	\$99,018

Provider Name							Fiscal Period		Provider NPI		Adjustments
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1245288083		22
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 COSTS</u>											
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	\$532,113		
14							To eliminate extraordinary legal cost related to the settlement of two cases. The cost was not covered by insurance. CMS Pub. 15-1, Sections 2102.3, 2105.10, 2160A, and 2183			(\$58,521)	
15							To eliminate accrued Court ordered "settlement payment" expense in conjunction with adjustment 14. CMS Pub. 15-1, Sections 2102.3, 2105.10, 2160A, and 2183			(96,514)	
16							To eliminate legal fees for the defense of a lawsuit not covered by insurance and not related to patient care. 42 CFR 413.9 (c)(3) and 413.24 CMS Pub. 15-1 Sections 2102.3, 2160, and 2160.2			(5,061)	
17							To eliminate liability damages not covered by insurance and not related to patient care. 42 CFR 413.9 (c)(3) and 413.24 CMS Pub. 15-1 Sections 2102.3, 2160, and 2160.2			(60,322)	
18							To adjust reported home office costs to agree with the Evergreen Healthcare Management, LLC Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304			(1,150) (\$221,568)	\$310,545

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments			
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1245288083		22			
Report References							Explanation of Audit Adjustments							
Cost Report			Audit Report									As Reported	Increase (Decrease)	As Adjusted
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No								
<u>ADJUSTMENT TO REPORTED STATISTICS</u>														
19	10.7	075	1,2,3	7	075	N/A	Patient Supplies (Square Feet)	0	44	44				
	10.7	085	1,2,3	7	085	N/A	Pharmacy - Other - Nonlabor (Square Feet)	83	(44)	39				
							To reclass square feet statistics to agree with the provider's filed Medicare Cost Report. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306							

Provider Name							Fiscal Period			Provider NPI		Adjustments
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1245288083		22
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 PATIENT DAYS</u>												
20	4.1	5	6	1	12	N/A	Total Patient Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300, and 2304	17,528	197	17,725		
21	Not Reported			1	16	N/A	Medi-Cal Managed Care Days To include Medi-Cal Managed Care days to agree with the provider's records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	13,964	13,964		

Provider Name							Fiscal Period		Provider NPI		Adjustments			
HEARTWOOD AVENUE HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1245288083		22			
Report References							Explanation of Audit Adjustments							
Cost Report			Audit Report									As Reported	Increase (Decrease)	As Adjusted
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No								
<u>ADJUSTMENT TO REPORTED MEDI-CAL SETTLEMENT DATA</u>														
22	4.1	5	2	1	15	N/A	Medi-Cal Patient Days	14,055	(13,983)	72				
							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 November 19, 2012 Report Date: November 20, 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							