

**REPORT  
ON THE  
RATE SETTING AUDIT**

**GARDENA CONVALESCENT CENTER  
GARDENA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1346225059**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Maria Delgado  
Audit Supervisor: Cyrus Lam  
Auditor: Ken Lo**



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



EDMUND G. BROWN JR.  
GOVERNOR

May 28, 2013

Brent Wauke, Administrator  
Gardena Convalescent Center  
14819 South Vermont Avenue  
Gardena, CA 90247

GARDENA CONVALESCENT CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI): 1346225059  
FISCAL PERIOD ENDED: DECEMBER 31, 2011

We have examined the facility's Integrated Disclosure and Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and was limited to a review of the cost report and accompanying financial statements, Medi-Cal payment data reports, prior fiscal period's Medi-Cal program audit report, and Medicare audit report for the current fiscal period, if applicable and available.

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

This audit report includes the:

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

Brent Wauke  
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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—Gardena at (310) 516-4757.

**Original Signed By:**

Maria Delgado, Chief  
Audits Section—Gardena  
Financial Audits Branch

Certified  
Enclosures

Brent Wauke  
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cc: Kevin Lawrence  
Certified Public Accountant  
12672 Limonite Avenue, Suite 3E-405  
Eastvale, CA 92880

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

Provider Name:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility No.:  
206190311

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	\$ 1,895,101	\$ 74.68
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 304,879	\$ 12.01
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 692,089	\$ 27.27
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 50,528	\$ 1.99
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 33,448	\$ 1.32
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 14,171	\$ 0.56
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 26,437	\$ 1.04
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 265,543	\$ 10.46
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 544,078	\$ 21.44
11	Cost of Routine Service/Audited Total Costs	\$ 3,799,957.00	\$ 3,826,274	\$ 150.78
12	Total Patient Days (Adj )	25,377	25,377	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 149.74	\$ 150.78	
14	Overpayments (Adj )	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 8)	20,168	19,285	
16	Medi-Cal Managed Care Days (Adj )		0	
<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:**  
GARDENA CONVALESCENT CENTER

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

**Provider NPI:**  
1346225059

**OSHPD Facility No.:**  
206190311

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

**ALLOCATION OF GENERAL SERVICES  
DIRECT CARE LABOR**

**Provider Name:**  
GARDENA CONVALESCENT CENTER

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

**Provider NPI:**  
1346225059

**OSHPD Facility No.:**  
206190311

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	\$ 49,384	\$ 49,384		
160	Activities	68,476		\$ 68,476	
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	1,777,241	49,384	68,476	1,895,101 *
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>\$ 1,895,101</b>	<b>\$ 49,384</b>	<b>\$ 68,476</b>	<b>\$ 1,895,101</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
GARDENA CONVALESCENT CENTER

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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	\$ 19,870	\$ 19,870										
010	Housekeeping	115,642	97	\$ 115,739									
060	Laundry and Linen	55,238	948	5,548	\$ 61,733								
065	Dietary	0	2,495	14,604	0	\$ 17,098							
155	Social Services	N/A	874	5,118	0	0	\$ 5,993						
160	Activities	N/A	39	231	0	0	0	\$ 271					
165	Administration	N/A	1,743	10,204	0	0	0	0	\$ 11,947	\$ 11,947			
166	Medical Records	67,781	166	974	0	0	0	0	68,922		\$ 68,922		
170	Inservice Education - Nursing	69,276	212	1,238	0	0	0	0	\$ 70,726				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		197	1,156	0	0	0	0	0	1,353	47	273	\$ 1,673
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	312	1,802	2,115
080	Physical Therapy		138	809	0	0	0	0	0	947	1,013	5,842	7,802
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		99	578	0	0	0	0	0	677	743	4,286	5,705
083	Speech Pathology		137	801	0	0	0	0	0	938	159	917	2,014
085	Pharmacy		0	0	0	0	0	0	0	0	251	1,446	1,697
090	Laboratory		0	0	0	0	0	0	0	0	84	486	571
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	109	628	736
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		12,639	73,984	61,733	17,098	5,993	271	70,726	242,444	9,223	53,211	304,879 *
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		85	495	0	0	0	0	0	580	5	31	616
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 327,807</b>	<b>\$ 19,870</b>	<b>\$ 115,739</b>	<b>\$ 61,733</b>	<b>\$ 17,098</b>	<b>\$ 5,993</b>	<b>\$ 271</b>	<b>\$ 70,726</b>	<b>\$ 246,939</b>	<b>\$ 11,947</b>	<b>\$ 68,922</b>	<b>\$ 327,807</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
GARDENA CONVALESCENT CENTER

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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	\$ 145,210	\$ 145,210										
010	Housekeeping	25,395	711	\$ 26,106									
060	Laundry and Linen	16,993	6,926	1,251	\$ 25,170								
065	Dietary	324,909	18,232	3,294	0	\$ 346,435							
155	Social Services	2,666	6,390	1,154	0	0	\$ 10,211						
160	Activities	7,970	289	52	0	0	0	\$ 8,311					
165	Administration	N/A	12,739	2,302	0	0	0	0		\$ 15,040	\$ 15,040		
166	Medical Records	8,464	1,216	220	0	0	0	0		9,900		\$ 9,900	
170	Inservice Education - Nursing	0	1,546	279	0	0	0	0	\$ 1,825				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	10,852	1,443	261	0	0	0	0	0	12,556	59	39	\$ 12,654
077	Specialized Support Surfaces	97,805	0	0	0	0	0	0	0	97,805	393	259	98,457
080	Physical Therapy	314,289	1,010	182	0	0	0	0	0	315,482	1,275	839	317,596
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	230,608	721	130	0	0	0	0	0	231,460	935	616	233,011
083	Speech Pathology	47,046	1,000	181	0	0	0	0	0	48,226	200	132	48,558
085	Pharmacy	78,467	0	0	0	0	0	0	0	78,467	316	208	78,990
090	Laboratory	26,387	0	0	0	0	0	0	0	26,387	106	70	26,563
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	34,056	0	0	0	0	0	0	0	34,056	137	90	34,283
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	171,826	92,368	16,688	25,170	346,435	10,211	8,311	1,825	672,834	11,612	7,643	692,089
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	0	618	112	0	0	0	0	0	730	7	4	741
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,542,943</b>	<b>\$ 145,210</b>	<b>\$ 26,106</b>	<b>\$ 25,170</b>	<b>\$ 346,435</b>	<b>\$ 10,211</b>	<b>\$ 8,311</b>	<b>\$ 1,825</b>	<b>\$ 1,518,003</b>	<b>\$ 15,040</b>	<b>\$ 9,900</b>	<b>\$ 1,542,943</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Capital	Plant Ops	Hskpng	Laundry	Dietary	Soc Svcs	Activities
				Various	5	10	60	65	155	160
<b>GENERAL SERVICES</b>										
	Capital Related (excluding lines 40 & 45)	\$ 53,479	60%							
	Property Tax (line 40)	35,402	40%	\$ 88,881						
005	Plant Operations and Maintenance			3,164	\$ 3,164					
010	Housekeeping			420	15	\$ 435				
060	Laundry and Linen			4,088	151	21	\$ 4,260			
065	Dietary			10,763	397	55	0	\$ 11,215		
155	Social Services			3,772	139	19	0	0	\$ 3,931	
160	Activities			170	6	1	0	0	0	\$ 178
165	Administration			7,520	278	38	0	0	0	0
166	Medical Records			718	26	4	0	0	0	0
170	Inservice Education - Nursing			913	34	5	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			852	31	4	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			596	22	3	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			426	16	2	0	0	0	0
083	Speech Pathology			590	22	3	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			54,525	2,012	278	4,260	11,215	3,931	178
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			365	13	2	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 88,881</b>	<b>100%</b>	<b>\$ 88,881</b>	<b>\$ 3,164</b>	<b>\$ 435</b>	<b>\$ 4,260</b>	<b>\$ 11,215</b>	<b>\$ 3,931</b>	<b>\$ 178</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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 60% Of Total	Property Tax 40% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 53,479	60%							
	Property Tax (line 40)	35,402	40%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 7,836	\$ 7,836				
166	Medical Records				748		\$ 748			
170	Inservice Education - Nursing			\$ 951						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	888	31	3	\$ 921	\$ 554	\$ 367
077	Specialized Support Surfaces			0	0	205	20	224	135	89
080	Physical Therapy			0	621	664	63	1,349	812	537
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	444	487	47	978	588	389
083	Speech Pathology			0	615	104	10	729	439	290
085	Pharmacy			0	0	164	16	180	108	72
090	Laboratory			0	0	55	5	61	36	24
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	71	7	78	47	31
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			951	77,349	6,050	578	83,976	50,528	33,448 *
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	380	4	0	384	231	153
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 88,881	100%	\$ 951	\$ 80,297	\$ 7,836	\$ 748	\$ 88,881	\$ 53,479	\$ 35,402

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
GARDENA CONVALESCENT CENTER

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Accum Costs (From Sch 2)	Accum Costs (From Sch 3)	Accum Costs (From Sch 4)	Accum Costs (From Sch 5)	Total Accum Costs	Allocated Admin. Costs	Admin. 64% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 3% of Total	Quality Assur. Fees 31% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 3,699												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	701,020												
	Total Costs Allocable as Administration	704,719	64%											
167	CDPH Licensing Fees	18,355	2%											
168	Professional Liability Insurance	34,242	3%											
169	Quality Assurance Fees	343,945	31%											
174	Caregiver Training	0	0%											
	Total	1,101,261	100%						\$ 1,101,261					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 1,353	\$ 12,556	\$ 888	\$ 14,796	4,356	\$ 2,788	\$ 73	\$ 135	\$ 1,361	\$ -
077	Specialized Support Surfaces			0	0	97,805	0	97,805	28,797	18,427	480	895	8,994	0
080	Physical Therapy			0	947	315,482	621	317,050	93,348	59,736	1,556	2,903	29,155	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	677	231,460	444	232,580	68,478	43,821	1,141	2,129	21,387	0
083	Speech Pathology			0	938	48,226	615	49,779	14,656	9,379	244	456	4,577	0
085	Pharmacy			0	0	78,467	0	78,467	23,103	14,784	385	718	7,215	0
090	Laboratory			0	0	26,387	0	26,387	7,769	4,972	129	242	2,426	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	34,056	0	34,056	10,027	6,417	167	312	3,132	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			1,895,101	242,444	672,834	77,349	2,887,729	850,228	544,078	14,171	26,437	265,543	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	580	730	380	1,690	498	318	8	15	155	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 1,101,261		\$ 1,895,101	\$ 246,939	\$ 1,518,003	\$ 80,297	\$ 3,740,340	\$ 1,101,261					
	Total Administrative Costs							\$ 1,101,261		\$ 704,719	\$ 18,355	\$ 34,242	\$ 343,945	\$ -
	Unit Cost Multiplier							0.29442808						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 80,868	\$ 24,940	\$ 8,584	\$ 114,392							
	<b>TOTAL FACILITY COSTS</b>							\$ 4,955,993						

\* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:  
GARDENA CONVALESCENT CENTER

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS	Plant Ops (SQ FT) 5	Hskpng (SQ FT) 10	Laundry (LBS) 60	Dietary (MEALS) 65	Soc Srvs (DIRECT EXP) 155	Activities (DIRECT EXP) 160	Inserv. Ed (DIRECT EXP) 170	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
		(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )		
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	520									
010	Housekeeping	69	69								
060	Laundry and Linen	672	672	672							
065	Dietary	1,769	1,769	1,769							
155	Social Services	620	620	620							
160	Activities	28	28	28							
165	Administration	1,236	1,236	1,236							
166	Medical Records	118	118	118							
170	Inservice Education - Nursing	150	150	150							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	140	140	140						14,796	14,796
077	Specialized Support Surfaces									97,805	97,805
080	Physical Therapy	98	98	98						317,050	317,050
081	Respiratory Therapy									0	0
082	Occupational Therapy	70	70	70						232,580	232,580
083	Speech Pathology	97	97	97						49,779	49,779
085	Pharmacy									78,467	78,467
090	Laboratory									26,387	26,387
095	Home Health Services									0	0
100	Other Ancillary Services									34,056	34,056
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	8,962	8,962	8,962	50,754	73,701	1,949,067	1,949,067	1,949,067	2,887,729	2,887,729
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	60	60	60						1,690	1,690
145	Other Nonreimbursable									0	0
	<b>TOTAL STATISTICS</b>	14,609	14,089	14,020	50,754	73,701	1,949,067	1,949,067	1,949,067	3,740,340	3,740,340
	TOTAL DIRECT SALARIES COSTS - SCH. 2						\$ 49,384	\$ 68,476			
	UNIT COST MULTIPLIER (DIRECT SALARIES)						0.025337251	0.035132707			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3		\$ 19,870	\$ 115,739	\$ 61,733	\$ 17,098	\$ 5,993	\$ 271	\$ 70,726	\$ 11,947	\$ 68,922
	UNIT COST MULTIPLIER (INDIRECT SALARIES)		1.41032011	8.25530043	1.21632378	0.23199798	0.00307464	0.00013886	0.03628703	0.00319402	0.01842655
	TOTAL INDIRECT OTHER COSTS - SCH. 4		\$ 145,210	\$ 26,106	\$ 25,170	\$ 346,435	\$ 10,211	\$ 8,311	\$ 1,825	\$ 15,040	\$ 9,900
	UNIT COST MULTIPLIER (INDIRECT OTHER)		10.30662219	1.86206540	0.49592856	4.70055235	0.00523871	0.00426395	0.00093650	0.00402116	0.00264679
	TOTAL CAPITAL COSTS - SCH. 5	\$ 88,881	\$ 3,164	\$ 435	\$ 4,260	\$ 11,215	\$ 3,931	\$ 178	\$ 951	\$ 7,836	\$ 748
	UNIT COST MULTIPLIER (CAPITAL COSTS)	6.08398932	0.22454926	0.03104773	0.08393825	0.15216521	0.00201663	0.00009107	0.00048789	0.00209492	0.00020000

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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	\$	\$ 0	\$ 0	(Sch 3)
005	.20-.39	Fringe Benefits	6200		0	0	(Sch 3)
005	.79	Agency Staff	6200	23,500	(3,630)	19,870	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	145,210	0	145,210	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 168,710	\$ (3,630)	\$ 165,080	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$	\$ 0	\$ 0	(Sch 3)
010	.20-.39	Fringe Benefits	6300		0	0	(Sch 3)
010	.79	Agency Staff	6300	115,642	0	115,642	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	25,395	0	25,395	(Sch 4)
010		Housekeeping - Total	6300	\$ 141,037	\$ 0	\$ 141,037	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 26,482	\$ 0	\$ 26,482	(Sch 5)
020		Depreciation: Leasehold Improvements	7130		0	0	(Sch 5)
025		Depreciation: Equipment	7140	16,281	0	16,281	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	10,716	0	10,716	(Sch 5)
040		Property Taxes	7300	35,402	0	35,402	(Sch 5)
045		Property Insurance	7400	3,699	0	3,699	(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>		\$ 402,327	\$ (3,630)	\$ 398,697	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$	\$ 0	\$ 0	(Sch 3)
060	.20-.39	Fringe Benefits	6400		0	0	(Sch 3)
060	.79	Agency Staff	6400	55,238	0	55,238	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	16,993	0	16,993	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 72,231	\$ 0	\$ 72,231	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$	\$ 0	\$ 0	(Sch 3)
065	.20-.39	Fringe Benefits	6500		0	0	(Sch 3)
065	.79	Agency Staff	6500	283,803	(283,803)	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	41,106	283,803	324,909	(Sch 4)
065		Dietary - Total	6500	\$ 324,909	\$ 0	\$ 324,909	
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	10,852	0	10,852	(Sch 4)
075		Patient Supplies - Total	8100	\$ 10,852	\$ 0	\$ 10,852	
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	97,805	0	97,805	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 97,805	\$ 0	\$ 97,805	

## SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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	314,289	0	314,289	(Sch 4)
080		Physical Therapy - Total	8200	\$ 314,289	\$ 0	\$ 314,289	
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	230,608	0	230,608	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 230,608	\$ 0	\$ 230,608	
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	47,046	0	47,046	(Sch 4)
083		Speech Pathology - Total	8280	\$ 47,046	\$ 0	\$ 47,046	
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	78,467	0	78,467	(Sch 4)
085		Pharmacy - Total	8300	\$ 78,467	\$ 0	\$ 78,467	
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	26,387	0	26,387	(Sch 4)
090		Laboratory - Total	8400	\$ 26,387	\$ 0	\$ 26,387	
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	60,225	(26,169)	34,056	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 60,225	\$ (26,169)	\$ 34,056	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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		\$ 865,679	\$ (26,169)	\$ 839,510	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,416,536	\$ (4,659)	\$ 1,411,877	(Sch 2)
105	.20-.39	Fringe Benefits	6110	365,364	0	365,364	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	145,657	26,169	171,826	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 1,927,557	\$ 21,510	\$ 1,949,067	
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:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
128		Transitional Inpatient Care					
128	.01-.19	Salaries and Wages	6170	\$	\$ 0	\$ 0	
128	.20-.39	Fringe Benefits	6170		0	0	
128	.49	Agency Staff	6170		0	0	
128	.40-.99	Other - Nonlabor	6170		0	0	
128		Transitional Inpatient Care - Total	6170	\$ 0	\$ 0	\$ 0	(Sch 2)
130		Hospice Inpatient Care					
130	.01-.19	Salaries and Wages	6180	\$	\$ 0	\$ 0	
130	.20-.39	Fringe Benefits	6180		0	0	
130	.49	Agency Staff	6180		0	0	
130	.40-.99	Other - Nonlabor	6180		0	0	
130		Hospice Inpatient Care - Total	6180	\$ 0	\$ 0	\$ 0	(Sch 2)
135		Other Routine Services					
135	.01-.19	Salaries and Wages	6190	\$	\$ 0	\$ 0	
135	.20-.39	Fringe Benefits	6190		0	0	
135	.49	Agency Staff	6190		0	0	
135	.40-.99	Other - Nonlabor	6190		0	0	
135		Other Routine Services - Total	6190	\$ 0	\$ 0	\$ 0	(Sch 2)
		<b>Other Nonreimbursable</b>					
139		Residential Care					
139	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0	(Sch 2)
139	.20-.39	Fringe Benefits	9100		0	0	(Sch 2)
139	.49	Agency Staff	9100		0	0	(Sch 2)
139	.40-.99	Other - Nonlabor	9100		0	0	(Sch 4)
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0	
140		Beauty and Barber					
140	.01-.19	Salaries and Wages	8900	\$	\$ 0	\$ 0	(Sch 2)
140	.20-.39	Fringe Benefits	8900		0	0	(Sch 2)
140	.49	Agency Staff	8900		0	0	(Sch 2)
140	.40-.99	Other - Nonlabor	8900		0	0	(Sch 4)
140		Beauty and Barber - Total	8900	\$ 0	\$ 0	\$ 0	
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>		\$ 1,927,557	\$ 21,510	\$ 1,949,067	
155		Social Services					
155	.01-.19	Salaries and Wages	6600	\$ 40,279	\$ 0	\$ 40,279	(Sch 2)
155	.20-.39	Fringe Benefits	6600	9,105	0	9,105	(Sch 2)
155	.49	Agency Staff	6600		0	0	(Sch 2)
155	.40-.99	Other - Nonlabor	6600	2,666	0	2,666	(Sch 4)
155		Social Services - Total	6600	\$ 52,050	\$ 0	\$ 52,050	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
GARDENA CONVALESCENT CENTER

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

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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	\$ 52,964	\$ 0	\$ 52,964	(Sch 2)
160	.20-.39	Fringe Benefits	6700	15,512	0	15,512	(Sch 2)
160	.49	Agency Staff	6700	2,834	(2,834)	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	5,136	2,834	7,970	(Sch 4)
160		Activities - Total	6700	\$ 76,446	\$ 0	\$ 76,446	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 222,800	\$ 4,659	\$ 227,459	(Sch 6)
165	.20-.39	Fringe Benefits	6900	41,314	0	41,314	(Sch 6)
165	.49	Agency Staff	6900	6,152	(6,152)	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	426,095	6,152	432,247	(Sch 6)
165		Administration - Total	6900	\$ 696,361	\$ 4,659	\$ 701,020	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 56,420	\$ 0	\$ 56,420	(Sch 3)
166	.20-.39	Fringe Benefits	6900	11,361	0	11,361	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	8,464	0	8,464	(Sch 4)
166		Medical Records - Total	6900	\$ 76,245	\$ 0	\$ 76,245	
167		CDPH Licensing Fees	6900	\$ 18,355	\$ 0	\$ 18,355	(Sch 6)
168		Professional Liability Insurance	6900	\$ 34,242	\$ 0	\$ 34,242	(Sch 6)
169		Quality Assurance Fees	6900	\$ 343,945	\$ 0	\$ 343,945	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 50,997	\$ 0	\$ 50,997	(Sch 3)
170	.20-.39	Fringe Benefits	6800	18,279	0	18,279	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800		0	0	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 69,276	\$ 0	\$ 69,276	
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>		\$ 1,366,920	\$ 4,659	\$ 1,371,579	
200		<b>Total</b>		\$ 4,959,623	\$ (3,630)	\$ 4,955,993	

210	0.24	Total Facility Group Health Insurance * (Adj 1)	6900			\$ 93,559	
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\* For informational purposes only, this amount is included in various cost centers above.

Provider Name:  
GARDENA CONVALESCENT CENTER

Provider NPI:  
1346225059

OSHPD Facility Number:  
206190311

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

Line No.	Sub No.	TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ 7	AUDIT ADJ	AUDIT ADJ
005	1	Plant Operations and Maintenance - Salaries and Wages	0							
005	2	Plant Operations and Maintenance - Fringe Benefits	0							
005	3	Plant Operations and Maintenance - Agency Staff	(3,630)					(3,630)		
005	4	Plant Operations and Maintenance - Other - Nonlabor	0							
010	1	Housekeeping - Salaries and Wages	0							
010	2	Housekeeping - Fringe Benefits	0							
010	3	Housekeeping - Agency Staff	0							
010	4	Housekeeping - Other - Nonlabor	0							
015	4	Depreciation: Buildings and Improvements	0							
020	4	Depreciation: Leasehold Improvements	0							
025	4	Depreciation: Equipment	0							
030	4	Depreciation and Amortization - Other	0							
035	4	Leases and Rentals	0							
040	4	Property Taxes	0							
045	4	Property Insurance	0							
050	4	Interest - Property, Plant, and Equipment	0							
055	4	Interest - Other	0							
060	1	Laundry and Linen - Salaries and Wages	0							
060	2	Laundry and Linen - Fringe Benefits	0							
060	3	Laundry and Linen - Agency Staff	0							
060	4	Laundry and Linen - Other - Nonlabor	0							
065	1	Dietary - Salaries and Wages	0							
065	2	Dietary - Fringe Benefits	0							
065	3	Dietary - Agency Staff	(283,803)			(283,803)				
065	4	Dietary - Other - Nonlabor	283,803			283,803				
070	4	Provision for Bad Debts	0							
075	1	Patient Supplies - Salaries and Wages	0							
075	2	Patient Supplies - Fringe Benefits	0							
075	3	Patient Supplies - Agency Staff	0							
075	4	Patient Supplies - Other - Nonlabor	0							
077	1	Specialized Support Surfaces - Salaries and Wages	0							
077	2	Specialized Support Surfaces - Fringe Benefits	0							
077	3	Specialized Support Surfaces - Agency Staff	0							
077	4	Specialized Support Surfaces - Other - Nonlabor	0							
080	1	Physical Therapy - Salaries and Wages	0							
080	2	Physical Therapy - Fringe Benefits	0							
080	3	Physical Therapy - Agency Staff	0							
080	4	Physical Therapy - Other - Nonlabor	0							
081	1	Respiratory Therapy - Salaries and Wages	0							
081	2	Respiratory Therapy - Fringe Benefits	0							
081	3	Respiratory Therapy - Agency Staff	0							
081	4	Respiratory Therapy - Other - Nonlabor	0							
082	1	Occupational Therapy - Salaries and Wages	0							
082	2	Occupational Therapy - Fringe Benefits	0							
082	3	Occupational Therapy - Agency Staff	0							
082	4	Occupational Therapy - Other - Nonlabor	0							
083	1	Speech Pathology - Salaries and Wages	0							
083	2	Speech Pathology - Fringe Benefits	0							
083	3	Speech Pathology - Agency Staff	0							







Provider Name							Fiscal Period			Provider NPI		Adjustments
GARDENA CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1346225059		8
Report References												
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
							<u>MEMORANDUM ADJUSTMENT</u>					
1	Not Reported			8	210		Group Health Insurance To include group health insurance in the audit for informational purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			\$0	\$93,559	\$93,559

\*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period		Provider NPI		Adjustments
GARDENA CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1346225059		8
Report References											
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>											
2	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages		\$1,416,536	(\$4,659)	\$1,411,877
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages To reclassify Central Supply Clerk wages to the Administrative cost center. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 52000(b) and 52501		222,800	4,659	227,459
3	10.5	160	3	8A-1	160	3	Activities - Agency Staff		\$2,834	(\$2,834)	\$0
	10.5	160	4	8A-1	160	4	Activities - Other - Nonlabor To reclassify activities other nonlabor cost to the appropriate cost center for proper cost determination due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		5,136	2,834	7,970
4	10.5	165	3	8A-1	165	3	Administration - Agency Staff		\$6,152	(\$6,152)	\$0
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To reclassify administrative other nonlabor cost to the appropriate cost center for proper cost determination due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		426,095	6,152	432,247
5	10.5	065	3	8A-1	065	3	Dietary - Agency Staff		\$283,803	(\$283,803)	\$0
	10.5	065	4	8A-1	065	4	Dietary - Other - Nonlabor To reclassify dietary other nonlabor expenses to the appropriate cost center for proper cost determination due to insufficient documentation 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		41,106	283,803	324,909
6	10.5	100	4	8A-1	100	4	Other Ancillary Services - Other - Nonlabor		\$60,225	(\$26,169)	\$34,056
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify skilled nursing enteral cost to the appropriate cost center for proper cost determination 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.5		145,657	26,169	171,826

Provider Name							Fiscal Period		Provider NPI		Adjustments
GARDENA CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1346225059		8
Report References											
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
<b><u>ADJUSTMENT TO REPORTED COSTS</u></b>											
7	10.5	005	3	8A-1	005	3	Plant Operations and Maintenance - Agency Staff To reconcile the plant operation and maintenance agency staff expenses to agree with the provider's paid invoices. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$23,500	(\$3,630)	\$19,870

Provider Name							Fiscal Period	Provider NPI		Adjustments
GARDENA CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1346225059		8
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.				
<b>ADJUSTMENT TO REPORTED PATIENT DAYS</b>										
8	4.1	5	2	1	15		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 June 30, 2012 Report Date: August 1, 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	20,168	(883)	19,285