

**REPORT
ON THE
RATE SETTING AUDIT**

**MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)
FOUNTAIN VALLEY, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1336187228**

**FISCAL PERIOD ENDED
MAY 31, 2011**

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

**Section Chief: Robert G. Kwick
Audit Supervisor: Delia Valencia
Auditors: Ellada Kalachov/Laura Langston**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 31, 2013

Dean Shipman
Divisional Director of Reimbursement
HCR Manor Care Services, LLC
333 North Summit Street
Toledo, OH 43604

MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)
NATIONAL PROVIDER IDENTIFIER (NPI) 1336187228
FISCAL PERIOD ENDED MAY 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 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, 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 that include a summary of the total due the State in the amount of \$5,096, which resulted from Medi-Cal overpayments

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

Dean Shipman
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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.

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. Kwick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility No.:
206304010

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	\$ 6,525,664	\$ 130.77
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 1,132,689	\$ 22.70
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 886,554	\$ 17.77
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 723,851	\$ 14.51
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 84,519	\$ 1.69
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 38,373	\$ 0.77
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 67,141	\$ 1.35
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 427,411	\$ 8.57
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 975,593	\$ 19.55
11	Cost of Routine Service/Audited Total Costs	\$ 11,442,954.00	\$ 10,861,795	\$ 217.67
12	Total Patient Days (Adj 14)	49,826	49,901	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 229.66	\$ 217.67	
14	Overpayments (Adj 16)	\$ 0	\$ 5,096	
15	Medi-Cal Days (Adj 13)	19,459	0	
16	Medi-Cal Managed Care Days (Adj 15)		19,459	
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:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility No.:
206304010

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:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility No.:
206304010

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs		Total
			155	160	
	GENERAL SERVICES				
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 356,207	\$ 356,207		
160	Activities	143,434		\$ 143,434	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
	ANCILLARY SERVICES				
075	Patient Supplies	55,583	0	0	55,583
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	1,157,004	0	0	1,157,004
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	915,798	0	0	915,798
083	Speech Pathology	104,107	0	0	104,107
085	Pharmacy	0	0	0	0
090	Laboratory	0	0	0	0
095	Home Health Services	0	0	0	0
100	Other Ancillary Services	16,528	0	0	16,528
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	6,026,023	356,207	143,434	6,525,664 *
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	10,024	0	0	10,024
145	Other Nonreimbursable	60,596	0	0	60,596
	TOTAL	\$ 8,845,304	\$ 356,207	\$ 143,434	\$ 8,845,304

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 005	Hskpng 010	Laundry 060	Dietary 065	Soc Srvs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 103,998	\$ 103,998										
010	Housekeeping	264,543	1,061	\$ 265,604									
060	Laundry and Linen	77,466	2,909	7,507	\$ 87,882								
065	Dietary	581,360	9,869	25,465	0	\$ 616,694							
155	Social Services	N/A	0	0	0	0	\$ -						
160	Activities	N/A	1,695	4,373	0	0	0	\$ 6,068					
165	Administration	N/A	5,512	14,223	0	0	0	0		\$ 19,735	\$ 19,735		
166	Medical Records	88,711	0	0	0	0	0	0		88,711		\$ 88,711	
170	Inservice Education - Nursing	77,039	0	0	0	0	0	0	\$ 77,039				
ANCILLARY SERVICES													
075	Patient Supplies		2,126	5,486	0	0	0	0	0	7,613	684	3,076	\$ 11,373
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	10	45	56
080	Physical Therapy		2,321	5,989	0	0	0	0	0	8,310	1,733	7,791	17,835
081	Respiratory Therapy		0	0	0	0	0	0	0	0	7	31	38
082	Occupational Therapy		1,719	4,436	0	0	0	0	0	6,155	1,375	6,183	13,713
083	Speech Pathology		174	449	0	0	0	0	0	623	155	696	1,474
085	Pharmacy		0	0	0	0	0	0	0	0	1,313	5,900	7,213
090	Laboratory		0	0	0	0	0	0	0	0	279	1,252	1,530
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	751	3,375	4,125
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		76,026	196,168	87,882	616,694	0	6,068	77,039	1,059,877	13,251	59,562	1,132,689 *
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		585	1,509	0	0	0	0	0	2,093	28	126	2,247
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	150	674	823
	TOTAL	\$ 1,193,117	\$ 103,998	\$ 265,604	\$ 87,882	\$ 616,694	\$ -	\$ 6,068	\$ 77,039	\$ 1,084,671	\$ 19,735	\$ 88,711	\$ 1,193,117

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 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	\$ 384,433	\$ 384,433										
010	Housekeeping	42,993	3,923	\$ 46,916									
060	Laundry and Linen	32,288	10,754	1,326	\$ 44,368								
065	Dietary	383,239	36,482	4,498	0	\$ 424,219							
155	Social Services	1,577	0	0	0	0	\$ 1,577						
160	Activities	18,523	6,265	772	0	0	0	\$ 25,560					
165	Administration	N/A	20,376	2,512	0	0	0	0		\$ 22,889	\$ 22,889		
166	Medical Records	5,741	0	0	0	0	0	0		5,741		\$ 5,741	
170	Inservice Education - Nursing	0	0	0	0	0	0	0	\$ -				
ANCILLARY SERVICES													
075	Patient Supplies	386,390	7,860	969	0	0	0	0	0	395,219	794	199	\$ 396,212
077	Specialized Support Surfaces	7,042	0	0	0	0	0	0	0	7,042	12	3	7,057
080	Physical Therapy	12,400	8,580	1,058	0	0	0	0	0	22,038	2,010	504	24,552
081	Respiratory Therapy	4,822	0	0	0	0	0	0	0	4,822	8	2	4,832
082	Occupational Therapy	14,237	6,355	784	0	0	0	0	0	21,375	1,595	400	23,371
083	Speech Pathology	960	643	79	0	0	0	0	0	1,682	180	45	1,907
085	Pharmacy	914,241	0	0	0	0	0	0	0	914,241	1,522	382	916,145
090	Laboratory	193,989	0	0	0	0	0	0	0	193,989	323	81	194,393
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	506,395	0	0	0	0	0	0	0	506,395	871	218	507,484
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	55,922	281,034	34,651	44,368	424,219	1,577	25,560	0	867,331	15,368	3,855	886,554 *
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	0	2,161	266	0	0	0	0	0	2,428	33	8	2,468
145	Other Nonreimbursable	43,782	0	0	0	0	0	0	0	43,782	174	44	43,999
	TOTAL	\$ 3,008,974	\$ 384,433	\$ 46,916	\$ 44,368	\$ 424,219	\$ 1,577	\$ 25,560	\$ -	\$ 2,980,344	\$ 22,889	\$ 5,741	\$ 3,008,974

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

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)	\$ 790,982	90%							
	Property Tax (line 40)	92,358	10%	\$ 883,340						
005	Plant Operations and Maintenance			20,725	\$ 20,725					
010	Housekeeping			8,804	212	\$ 9,015				
060	Laundry and Linen			24,131	580	255	\$ 24,965			
065	Dietary			81,860	1,967	864	0	\$ 84,691		
155	Social Services			0	0	0	0	0	\$ -	
160	Activities			14,057	338	148	0	0	0	\$ 14,543
165	Administration			45,721	1,098	483	0	0	0	0
166	Medical Records			0	0	0	0	0	0	0
170	Inservice Education - Nursing			0	0	0	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			17,636	424	186	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			19,253	463	203	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			14,259	343	151	0	0	0	0
083	Speech Pathology			1,443	35	15	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
ROUTINE SERVICES										
105	Skilled Nursing Care			630,603	15,150	6,658	24,965	84,691	0	14,543
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			4,849	117	51	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 883,340	100%	\$ 883,340	\$ 20,725	\$ 9,015	\$ 24,965	\$ 84,691	\$ -	\$ 14,543

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

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 90% Of Total	Property Tax 10% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 790,982	90%							
	Property Tax (line 40)	92,358	10%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 47,303	\$ 47,303				
166	Medical Records				0		\$ -			
170	Inservice Education - Nursing			\$ -						
	ANCILLARY SERVICES									
075	Patient Supplies			0	18,246	1,640	0	\$ 19,886	\$ 17,807	\$ 2,079
077	Specialized Support Surfaces			0	0	24	0	24	22	3
080	Physical Therapy			0	19,918	4,154	0	24,073	21,556	2,517
081	Respiratory Therapy			0	0	17	0	17	15	2
082	Occupational Therapy			0	14,752	3,297	0	18,049	16,162	1,887
083	Speech Pathology			0	1,493	371	0	1,864	1,670	195
085	Pharmacy			0	0	3,146	0	3,146	2,817	329
090	Laboratory			0	0	668	0	668	598	70
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	1,799	0	1,799	1,611	188
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	776,611	31,760	0	808,370	723,851	84,519
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	5,017	67	0	5,084	4,553	532
145	Other Nonreimbursable			0	0	359	0	359	322	38
	TOTAL	\$ 883,340	100%	\$ -	\$ 836,037	\$ 47,303	\$ -	\$ 883,340	\$ 790,982	\$ 92,358

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 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. 65% of Total	DPH Licensing Fees 3% of Total	Professional Liability Ins. 4% of Total	Quality Assur. Fees 28% of Total	Caregiver Training 0% of Total
GENERAL SERVICES														
045	Property Insurance	\$ 6,500												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	1,446,544												
	Total Costs Allocable as Administration	1,453,044	65%											
167	CDPH Licensing Fees	57,153	3%											
168	Professional Liability Insurance	100,000	4%											
169	Quality Assurance Fees	636,584	28%											
174	Caregiver Training	0	0%											
	Total	2,246,781	100%						\$ 2,246,781					
ANCILLARY SERVICES														
075	Patient Supplies			\$ 55,583	\$ 7,613	\$ 395,219	\$ 18,246	\$ 476,661	77,908	\$ 50,385	\$ 1,982	\$ 3,468	\$ 22,074	\$ -
077	Specialized Support Surfaces			0	0	7,042	0	7,042	1,151	744	29	51	326	0
080	Physical Therapy			1,157,004	8,310	22,038	19,918	1,207,271	197,323	127,613	5,019	8,782	55,908	0
081	Respiratory Therapy			0	0	4,822	0	4,822	788	510	20	35	223	0
082	Occupational Therapy			915,798	6,155	21,375	14,752	958,080	156,594	101,273	3,983	6,970	44,368	0
083	Speech Pathology			104,107	623	1,682	1,493	107,906	17,637	11,406	449	785	4,997	0
085	Pharmacy			0	0	914,241	0	914,241	149,429	96,639	3,801	6,651	42,338	0
090	Laboratory			0	0	193,989	0	193,989	31,707	20,505	807	1,411	8,983	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			16,528	0	506,395	0	522,923	85,469	55,275	2,174	3,804	24,216	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			6,525,664	1,059,877	867,331	776,611	9,229,483	1,508,518	975,593	38,373	67,141	427,411	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			10,024	2,093	2,428	5,017	19,562	3,197	2,068	81	142	906	0
145	Other Nonreimbursable			60,596	0	43,782	0	104,378	17,060	11,033	434	759	4,834	0
	SUBTOTAL	\$ 2,246,781		\$ 8,845,304	\$ 1,084,671	\$ 2,980,344	\$ 836,037	\$ 13,746,357	\$ 2,246,781					
	Total Administrative Costs							\$ 2,246,781		\$ 1,453,044	\$ 57,153	\$ 100,000	\$ 636,584	\$ -
	Unit Cost Multiplier							0.16344556						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 108,446	\$ 28,630	\$ 47,303	\$ 184,378							
	TOTAL FACILITY COSTS							\$ 16,177,516						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 10)	Plant Ops (SQ FT) 5 (Adj 10)	Hskpng (SQ FT) 10 (Adj 10)	Laundry (LBS) 60 (Adj 11)	Dietary (MEALS) 65 (Adj 12)	Soc Srvs (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	718									
010	Housekeeping	305	305								
060	Laundry and Linen	836	836	836							
065	Dietary	2,836	2,836	2,836							
155	Social Services										
160	Activities	487	487	487							
165	Administration	1,584	1,584	1,584							
166	Medical Records										
170	Inservice Education - Nursing										
	ANCILLARY SERVICES										
075	Patient Supplies	611	611	611						476,661	476,661
077	Specialized Support Surfaces									7,042	7,042
080	Physical Therapy	667	667	667						1,207,271	1,207,271
081	Respiratory Therapy									4,822	4,822
082	Occupational Therapy	494	494	494						958,080	958,080
083	Speech Pathology	50	50	50						107,906	107,906
085	Pharmacy									914,241	914,241
090	Laboratory									193,989	193,989
095	Home Health Services									0	0
100	Other Ancillary Services									522,923	522,923
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	21,847	21,847	21,847	755,768	148,392	6,081,945	6,081,945	6,081,945	9,229,483	9,229,483
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	168	168	168						19,562	19,562
145	Other Nonreimbursable									104,378	104,378
	TOTAL STATISTICS	30,603	29,885	29,580	755,768	148,392	6,081,945	6,081,945	6,081,945	13,746,357	13,746,357
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 356,207 0.058567942	\$ 143,434 0.023583574			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 103,998 3.47993977	\$ 265,604 8.97918802	\$ 87,882 0.11628149	\$ 616,694 4.15584456	\$ - 0.00000000	\$ 6,068 0.00099764	\$ 77,039 0.01266684	\$ 19,735 0.00143567	\$ 88,711 0.00645342
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 384,433 12.86374435	\$ 46,916 1.58608661	\$ 44,368 0.05870592	\$ 424,219 2.85877083	\$ 1,577 0.00025929	\$ 25,560 0.00420261	\$ - 0.00000000	\$ 22,889 0.00166506	\$ 5,741 0.00041764
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 883,340 28.86449041	\$ 20,725 0.69348182	\$ 9,015 0.30477287	\$ 24,965 0.03303296	\$ 84,691 0.57072312	\$ - 0.00000000	\$ 14,543 0.00239120	\$ - 0.00000000	\$ 47,303 0.00344110	\$ - 0.00000000

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

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	\$ 81,379	\$ 0	\$ 81,379	(Sch 3)
005	.20-.39	Fringe Benefits	6200	22,619	0	22,619	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	384,433	0	384,433	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 488,431	\$ 0	\$ 488,431	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 206,670	\$ 0	\$ 206,670	(Sch 3)
010	.20-.39	Fringe Benefits	6300	57,873	0	57,873	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	42,993	0	42,993	(Sch 4)
010		Housekeeping - Total	6300	\$ 307,536	\$ 0	\$ 307,536	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 305,084	\$ 0	\$ 305,084	(Sch 5)
020		Depreciation: Leasehold Improvements	7130		0	0	(Sch 5)
025		Depreciation: Equipment	7140	157,066	0	157,066	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	116,563	0	116,563	(Sch 5)
040		Property Taxes	7300	92,358	0	92,358	(Sch 5)
045		Property Insurance	7400	6,500	0	6,500	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		212,269	212,269	(Sch 5)
055		Interest - Other	7600	\$ 212,269	\$ (212,269)	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 1,685,807	\$ 0	\$ 1,685,807	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 60,630	\$ 0	\$ 60,630	(Sch 3)
060	.20-.39	Fringe Benefits	6400	16,836	0	16,836	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	32,288	0	32,288	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 109,754	\$ 0	\$ 109,754	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 454,543	\$ 0	\$ 454,543	(Sch 3)
065	.20-.39	Fringe Benefits	6500	126,817	0	126,817	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	383,239	0	383,239	(Sch 4)
065		Dietary - Total	6500	\$ 964,599	\$ 0	\$ 964,599	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		Ancillary Services					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$ 43,491	\$ 0	\$ 43,491	(Sch 2)
075	.20-.39	Fringe Benefits	8100	12,092	0	12,092	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	386,390	0	386,390	(Sch 4)
075		Patient Supplies - Total	8100	\$ 441,973	\$ 0	\$ 441,973	
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	7,042	0	7,042	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 7,042	\$ 0	\$ 7,042	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

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	\$ 891,792	\$ 0	\$ 891,792	(Sch 2)
080	.20-.39	Fringe Benefits	8200	248,564	0	248,564	(Sch 2)
080	.79	Agency Staff	8200	16,648	0	16,648	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	12,400	0	12,400	(Sch 4)
080		Physical Therapy - Total	8200	\$ 1,169,404	\$ 0	\$ 1,169,404	
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	4,822	0	4,822	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 4,822	\$ 0	\$ 4,822	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$ 693,276	\$ 0	\$ 693,276	(Sch 2)
082	.20-.39	Fringe Benefits	8250	193,365	0	193,365	(Sch 2)
082	.79	Agency Staff	8250	29,157	0	29,157	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	14,237	0	14,237	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 930,035	\$ 0	\$ 930,035	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$ 79,871	\$ 0	\$ 79,871	(Sch 2)
083	.20-.39	Fringe Benefits	8280	22,258	0	22,258	(Sch 2)
083	.79	Agency Staff	8280	1,978	0	1,978	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	960	0	960	(Sch 4)
083		Speech Pathology - Total	8280	\$ 105,067	\$ 0	\$ 105,067	
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	914,241	0	914,241	(Sch 4)
085		Pharmacy - Total	8300	\$ 914,241	\$ 0	\$ 914,241	
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	193,989	0	193,989	(Sch 4)
090		Laboratory - Total	8400	\$ 193,989	\$ 0	\$ 193,989	
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	16,528	0	16,528	(Sch 2)
100	.40-.99	Other - Nonlabor	8900	506,395	0	506,395	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 522,923	\$ 0	\$ 522,923	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

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		\$ 4,289,496	\$ 0	\$ 4,289,496	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 4,714,372	\$ 0	\$ 4,714,372	(Sch 2)
105	.20-.39	Fringe Benefits	6110	1,311,651	0	1,311,651	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	55,922	0	55,922	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 6,081,945	\$ 0	\$ 6,081,945	
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:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

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		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	10,024	0	10,024 (Sch 2)
140	.40-.99	Other - Nonlabor	8900		0	0 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 10,024	\$ 0	\$ 10,024
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$	\$ 47,404	\$ 47,404 (Sch 2)
145	.20-.39	Fringe Benefits	9100		13,192	13,192 (Sch 2)
145	.49	Agency Staff	9100		0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100		43,782	43,782 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 104,378	\$ 104,378
146		Subtotal 105 - 145		\$ 6,091,969	\$ 104,378	\$ 6,196,347
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 279,977	\$ 0	\$ 279,977 (Sch 2)
155	.20-.39	Fringe Benefits	6600	76,230	0	76,230 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	1,577	0	1,577 (Sch 4)
155		Social Services - Total	6600	\$ 357,784	\$ 0	\$ 357,784

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)

Fiscal Period:
JUNE 1, 2010 THROUGH MAY 31, 2011

Provider NPI:
1336187228

OSHPD Facility Number:
206304010

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	\$ 112,203	\$ 0	\$ 112,203	(Sch 2)
160	.20-.39	Fringe Benefits	6700	31,231	0	31,231	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	18,523	0	18,523	(Sch 4)
160		Activities - Total	6700	\$ 161,957	\$ 0	\$ 161,957	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 661,647	\$ (74,837)	\$ 586,810	(Sch 6)
165	.20-.39	Fringe Benefits	6900	158,440	(19,849)	138,591	(Sch 6)
165	.49	Agency Staff	6900	25,626	0	25,626	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	924,528	(229,011)	695,517	(Sch 6)
165		Administration - Total	6900	\$ 1,770,241	\$ (323,697)	\$ 1,446,544	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 68,285	\$ 0	\$ 68,285	(Sch 3)
166	.20-.39	Fringe Benefits	6900	20,426	0	20,426	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	5,741	0	5,741	(Sch 4)
166		Medical Records - Total	6900	\$ 94,452	\$ 0	\$ 94,452	
167		CDPH Licensing Fees	6900	\$ 57,153	\$ 0	\$ 57,153	(Sch 6)
168		Professional Liability Insurance	6900	\$ 610,615	\$ (510,615)	\$ 100,000	(Sch 6)
169		Quality Assurance Fees	6900	\$ 636,584	\$ 0	\$ 636,584	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 63,396	\$ 0	\$ 63,396	(Sch 3)
170	.20-.39	Fringe Benefits	6800	13,643	0	13,643	(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	\$ 77,039	\$ 0	\$ 77,039	
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		\$ 3,765,825	\$ (834,312)	\$ 2,931,513	
200		Total		\$ 16,907,450	\$ (729,934)	\$ 16,177,516	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 892,510	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name							Fiscal Period			Provider NPI		Adjustments
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)							JUNE 1, 2010 THROUGH MAY 31, 2011			1336187228		16
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	NA			8	210		Group Health Insurance To include Group Health Insurance in the audit for information purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Section 2300 and 2304			\$0	\$892,510	\$892,510

Provider Name							Fiscal Period	Provider NPI		Adjustments	
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)							JUNE 1, 2010 THROUGH MAY 31, 2011	1336187228		16	
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	050	4	8A-1	050	4	Interest - Property, Plant, and Equipment	\$0	\$212,269	\$212,269	
	10.5	055	4	8A-1	055	4	Interest - Other	212,269	(212,269)	0	
							To reclassify capital related interest costs for proper cost determination. 42 CFR 413.5, 413.20, and 413.24 CMS Pub. 15-1, Sections 2300, 2306, and 2307 CMS Pub. 15-2, Section 2408 W&I Code 14126.023(d)				
3	10.5	145	1	8A-1	145	1	Other Nonreimbursable - Salaries and Wages	\$0	\$47,404	\$47,404	
	10.5	145	2	8A-1	145	2	Other Nonreimbursable - Fringe Benefits	0	13,192	13,192	
	10.5	145	4	8A-1	145	4	Other Nonreimbursable - Other - Nonlabor	0	43,782	43,782	
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	661,647	(47,404)	614,243 *	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	158,440	(13,192)	145,248 *	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	924,528	(43,782)	880,746 *	
							To establish marketing expense as a nonreimbursable cost center in conjunction with adjustment 8. 42 CFR 413.5, 413.9, and 413.24 CMS Pub. 15-1, Sections 2136.2, 2304, and 2328				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)							JUNE 1, 2010 THROUGH MAY 31, 2011	1336187228	16		
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>											
4	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	*	\$614,243	(\$27,433)	\$586,810
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	*	145,248	(6,657)	138,591
							To adjust owner compensation based on the DHCS survey. 42 CFR 413.102 CMS Pub. 15-1, Sections 332, 900-907, 1002, 2102.1, 2142, 2144-2146 CCR, Title 22, Sections 52000(a) and 52504				
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	\$880,746		
5							To eliminate legal expense due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 W&I Code 14124.2(b)			(\$6,426)	
6							To adjust reported home office costs to agree with the HCR Manor Care Services, LLC Home Office Audit Report for fiscal period ended December 31, 2010. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304			(220,000)	
7							To eliminate patient telephone, television or radio costs. 42 CFR 413.9(c)(3), 413.24, and 413.50 CMS Pub. 15-1, Sections 2106.1 and 2304			(2,585)	
8							To reverse the provider's adjustment of non-allowable advertising expense in conjunction with adjustment 3. 42 CFR 413.5, 413.9 and 413.24 CMS Pub. 15-1, Sections 2136.2, 2304, and 2328			43,782 (\$185,229)	\$695,517

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)							JUNE 1, 2010 THROUGH MAY 31, 2011		1336187228		16
Report References							Explanation of Audit Adjustments				
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	As Reported	Increase (Decrease)	As Adjusted		
<u>ADJUSTMENT TO REPORTED COSTS</u>											
9	10.5	168	4	8A-1	168	4	Administration - Professional Liability Insurance To eliminate self insured liability insurance and adjust the deductible to the lower of \$100,000 limitation or paid claims. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.1, 2162, 2162.1, 2162.2, 2162.5, 2162.6, 2162.7, 2300, 2304, and 2305	\$610,615	(\$510,615)	\$100,000	

Provider Name							Fiscal Period		Provider NPI		Adjustments
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)							JUNE 1, 2010 THROUGH MAY 31, 2011		1336187228		16
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 STATISTICS</u>											
10	10.7	005	1	7	005	N/A	Plant Operations and Maintenance (Square Feet)	0	718	718	
	10.7	010	1,2	7	010	N/A	Housekeeping	0	305	305	
	10.7	060	1,2,3	7	060	N/A	Laundry and Linen	0	836	836	
	10.7	065	1,2,3	7	065	N/A	Dietary	0	2,836	2,836	
	10.7	075	1,2,3	7	075	N/A	Patient Supplies	0	611	611	
	10.7	077	1,2,3	7	077	N/A	Physical Therapy	0	667	667	
	10.7	082	1,2,3	7	082	N/A	Occupational Therapy	0	494	494	
	10.7	083	1,2,3	7	083	N/A	Speech Pathology	0	50	50	
	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care	0	21,847	21,847	
	10.7	140	1,2,3	7	140	N/A	Beauty and Barber	0	168	168	
	10.7	160	1,2,3	7	160	N/A	Activities	0	487	487	
	10.7	165	1,2,3	7	165	N/A	Administration	0	1,584	1,584	
	10.7	175	1	7	N/A	N/A	Total Square Feet - Capital	0	30,603	30,603	
	10.7	175	2	7	N/A	N/A	Total Square Feet - Plant Operations and Maintenance	0	29,885	29,885	
	10.7	175	3	7	N/A	N/A	Total Square Feet - Housekeeping	0	29,580	29,580	
11	10.7	105	4	7	105	N/A	Skilled Nursing Care (Laundry Pounds)	0	755,768	755,768	
	10.7	175	4	7	N/A	N/A	Total Laundry Pounds - Laundry	0	755,768	755,768	
12	10.7	105	5	7	105	N/A	Skilled Nursing Care (Meals Served)	0	148,392	148,392	
	10.7	175	5	7	N/A	N/A	Total Meals Served - Dietary	0	148,392	148,392	
To adjust reported statistics to agree with the provider's records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306											

Provider Name							Fiscal Period	Provider NPI		Adjustments
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)							JUNE 1, 2010 THROUGH MAY 31, 2011	1336187228		16
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				
ADJUSTMENTS TO REPORTED PATIENT DAYS										
13	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: June 1, 2010 through May 31, 2011 Payment Period: June 1, 2010 through July 31, 2013 Report Date: July 31, 2013 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	19,459	(19,459)	0	
14	4.1	5	6	1	12	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	49,826	75	49,901	
15	NA			1	16	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	19,459	19,459	

Provider Name							Fiscal Period			Provider NPI		Adjustments			
MANORCARE HEALTH SERVICES (FOUNTAIN VALLEY)							JUNE 1, 2010 THROUGH MAY 31, 2011			1336187228		16			
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 OTHER MATTERS</u>															
16	NA			1	14		Overpayments To recover outstanding Medi-Cal credit balances. CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 50761 and 51458.1	\$0	\$5,096	\$5,096					