

**REPORT
ON THE
RATE SETTING AUDIT**

**MAGNOLIA GARDENS CONVALESCENT HOSPITAL
GRANADA HILLS, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1588750202**

**FISCAL PERIOD ENDED
JUNE 30, 2011**

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

**Section Chief: Maria Delgado
Audit Supervisor: Cyrus Lam
Auditor: Wei Wang**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 31, 2013

Rogelio Carrera, Administrator
Magnolia Gardens Convalescent Hospital
17922 San Fernando Mission Road
Granada Hills, CA 91344

MAGNOLIA GARDENS CONVALESCENT HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI): 1588750202
FISCAL PERIOD ENDED: JUNE 30, 2011

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

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

This audit report includes the:

1. Summary of Audited Facility Cost per Patient Day and supporting schedules
2. Audit adjustments that include a summary of the total due the State in the amount of \$19,997, which resulted from Medi-Cal overpayments
3. Audited Allocation of Home Office Cost

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.

Rogelio Carrera, Administrator
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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—Gardena at (310) 516-4757.

Original Signed By:

Maria Delgado, Chief
Audits Section—Gardena
Financial Audits Branch

Rogelio Carrera, Administrator
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Certified
Enclosure

cc: Zaid Pervaiz
Corporate Controller
Longwood Management Corporation
4032 Wilshire Boulevard, Suite 600
Los Angeles, CA 90010

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility No.:
206190496

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
SKILLED NURSING CARE				
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	\$ N/A	\$ 2,579,868	\$ 74.88
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 693,138	\$ 20.12
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 618,132	\$ 17.94
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 164,703	\$ 4.78
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 26,185	\$ 0.76
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 18,427	\$ 0.53
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 54,967	\$ 1.60
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 334,164	\$ 9.70
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 562,322	\$ 16.32
11	Cost of Routine Service/Audited Total Costs	\$ 5,436,627.00	\$ 5,051,905	\$ 146.63
12	Total Patient Days (Adj)	34,453	34,453	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 157.80	\$ 146.63	
14	Overpayments (Adj 15)		\$ (19,997)	
15	Medi-Cal Days (Adj 14)	22,590	22,416	
16	Medi-Cal Managed Care Days (Adj)		0	
INTERMEDIATE CARE				
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
18	Total Patient Days (Adj)		0	
19	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
20	Overpayments (Adj)	\$	\$ 0	
MENTALLY DISORDERED CARE				
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
22	Total Patient Days (Adj)		0	
23	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
24	Overpayments (Adj)	\$	\$ 0	
DEVELOPMENTALLY DISABLED CARE				
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
26	Total Patient Days (Adj)		0	
27	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
28	Overpayments (Adj)	\$	\$ 0	
SUBACUTE CARE				
29	Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)	\$ N/A	\$ 0	\$ 0.00
30	Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)	\$ N/A	\$ 0	\$ 0.00
31	Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27)	\$ N/A	\$ 0	\$ 0.00
32	Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)	\$ N/A	\$ 0	\$ 0.00
33	Property Taxes (Subacute Care Sch. 1, Ln. 29)	\$ N/A	\$ 0	\$ 0.00
34	CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)	\$ N/A	\$ 0	\$ 0.00
35	Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)	\$ N/A	\$ 0	\$ 0.00
36	Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)	\$ N/A	\$ 0	\$ 0.00
37	Caregiver Training (Subacute Care Sch. 1, Ln. 33)	\$ N/A	\$ 0	\$ 0.00
38	Cost of Administration (Subacute Care Sch.1, Ln. 34)	\$ N/A	\$ 0	\$ 0.00
39	Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)	\$ 0	\$ 0	\$ 0.00
40	Total Patient Days (Subacute Care Sch. 1, Ln. 36)	0	0	
41	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
42	Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)	\$ 0	\$ 0	

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility No.:
206190496

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:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility No.:
206190496

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs	Activities	Total
			155	160	
	GENERAL SERVICES				
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 37,056	\$ 37,056		
160	Activities	95,956		\$ 95,956	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
	ANCILLARY SERVICES				
075	Patient Supplies	0	0	0	0
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	514,057	0	0	514,057
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	326,334	0	0	326,334
083	Speech Pathology	126,851	0	0	126,851
085	Pharmacy	0	0	0	0
090	Laboratory	0	0	0	0
095	Home Health Services	0	0	0	0
100	Other Ancillary Services	0	0	0	0
101	Subacute Care Ancillary Services	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0
	ROUTINE SERVICES				
105	Skilled Nursing Care	2,446,856	37,056	95,956	2,579,868 *
110	Intermediate Care	0	0	0	0 *
115	Mentally Disordered Care	0	0	0	0 *
120	Developmentally Disabled Care	0	0	0	0 *
125	Subacute Care	0	0	0	0 *
126	Subacute Care - Pediatric	0	0	0	0 *
128	Transitional Inpatient Care	0	0	0	0 *
130	Hospice Inpatient Care	0	0	0	0 *
135	Other Routine Services	0	0	0	0 *
	NONREIMBURSABLE				
139	Residential Care	0	0	0	0
140	Beauty and Barber	0	0	0	0
145	Other Nonreimbursable	0	0	0	0
	TOTAL	\$ 3,547,110	\$ 37,056	\$ 95,956	\$ 3,547,110

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 005	Hskpng 010	Laundry 060	Dietary 065	Soc Svcs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 71,328	\$ 71,328										
010	Housekeeping	144,336	1,687	\$ 146,023									
060	Laundry and Linen	99,637	2,271	4,762	\$ 106,670								
065	Dietary	290,776	7,143	14,977	0	\$ 312,896							
155	Social Services	N/A	684	1,434	0	0	\$ 2,118						
160	Activities	N/A	2,790	5,851	0	0	0	\$ 8,641					
165	Administration	N/A	2,650	5,558	0	0	0	0	\$ 8,208	\$ 8,208			
166	Medical Records	57,382	799	1,675	0	0	0	0	59,855		\$ 59,855		
170	Inservice Education - Nursing	59,763	1,443	3,025	0	0	0	0	\$ 64,230				
ANCILLARY SERVICES													
075	Patient Supplies		369	774	0	0	0	0	0	1,144	86	628	\$ 1,858
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	13	93	106
080	Physical Therapy		644	1,350	0	0	0	0	0	1,994	800	5,831	8,625
081	Respiratory Therapy		644	1,350	0	0	0	0	0	1,994	10	73	2,077
082	Occupational Therapy		644	1,350	0	0	0	0	0	1,994	511	3,728	6,233
083	Speech Pathology		644	1,350	0	0	0	0	0	1,994	205	1,494	3,692
085	Pharmacy		359	754	0	0	0	0	0	1,113	294	2,147	3,555
090	Laboratory		0	0	0	0	0	0	0	0	36	259	295
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	78	566	644
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		47,634	99,878	106,670	312,896	2,118	8,641	64,230	642,066	6,159	44,913	693,138 *
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		923	1,936	0	0	0	0	0	2,860	17	122	2,999
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 723,222	\$ 71,328	\$ 146,023	\$ 106,670	\$ 312,896	\$ 2,118	\$ 8,641	\$ 64,230	\$ 655,159	\$ 8,208	\$ 59,855	\$ 723,222

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 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	\$ 237,038	\$ 237,038										
010	Housekeeping	41,617	5,607	\$ 47,224									
060	Laundry and Linen	21,808	7,547	1,540	\$ 30,895								
065	Dietary	201,594	23,737	4,844	0	\$ 230,175							
155	Social Services	290	2,273	464	0	0	\$ 3,026						
160	Activities	7,097	9,273	1,892	0	0	0	\$ 18,262					
165	Administration	N/A	8,808	1,797	0	0	0	0		\$ 10,605	\$ 10,605		
166	Medical Records	4,895	2,654	542	0	0	0	0		8,091		\$ 8,091	
170	Inservice Education - Nursing	0	4,794	978	0	0	0	0	\$ 5,772				
ANCILLARY SERVICES													
075	Patient Supplies	52,345	1,227	250	0	0	0	0	0	53,823	111	85	\$ 54,019
077	Specialized Support Surfaces	8,345	0	0	0	0	0	0	0	8,345	17	13	8,374
080	Physical Therapy	0	2,140	437	0	0	0	0	0	2,576	1,033	788	4,398
081	Respiratory Therapy	0	2,140	437	0	0	0	0	0	2,576	13	10	2,599
082	Occupational Therapy	0	2,140	437	0	0	0	0	0	2,576	661	504	3,741
083	Speech Pathology	0	2,140	437	0	0	0	0	0	2,576	265	202	3,043
085	Pharmacy	188,081	1,194	244	0	0	0	0	0	189,519	380	290	190,190
090	Laboratory	23,152	0	0	0	0	0	0	0	23,152	46	35	23,233
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	50,523	0	0	0	0	0	0	0	50,523	100	77	50,700
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	125,377	158,296	32,300	30,895	230,175	3,026	18,262	5,772	604,103	7,958	6,071	618,132 *
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care	0	0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric	0	0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0 *
NONREIMBURSABLE													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	1,650	3,069	626	0	0	0	0	0	5,345	22	17	5,383
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 963,812	\$ 237,038	\$ 47,224	\$ 30,895	\$ 230,175	\$ 3,026	\$ 18,262	\$ 5,772	\$ 945,116	\$ 10,605	\$ 8,091	\$ 963,812

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

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)	\$ 177,687	86%							
	Property Tax (line 40)	28,249	14%	\$ 205,936						
005	Plant Operations and Maintenance			8,126	\$ 8,126					
010	Housekeeping			4,679	192	\$ 4,871				
060	Laundry and Linen			6,298	259	159	\$ 6,716			
065	Dietary			19,809	814	500	0	\$ 21,122		
155	Social Services			1,896	78	48	0	0	\$ 2,022	
160	Activities			7,738	318	195	0	0	0	\$ 8,251
165	Administration			7,350	302	185	0	0	0	0
166	Medical Records			2,215	91	56	0	0	0	0
170	Inservice Education - Nursing			4,001	164	101	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			1,024	42	26	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			1,786	73	45	0	0	0	0
081	Respiratory Therapy			1,786	73	45	0	0	0	0
082	Occupational Therapy			1,786	73	45	0	0	0	0
083	Speech Pathology			1,786	73	45	0	0	0	0
085	Pharmacy			997	41	25	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			132,100	5,426	3,332	6,716	21,122	2,022	8,251
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
NONREIMBURSABLE										
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			2,561	105	65	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 205,936	100%	\$ 205,936	\$ 8,126	\$ 4,871	\$ 6,716	\$ 21,122	\$ 2,022	\$ 8,251

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

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 86% Of Total	Property Tax 14% Of Total
GENERAL SERVICES										
	Capital Related (excluding lines 40 & 45)	\$ 177,687	86%							
	Property Tax (line 40)	28,249	14%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 7,838	\$ 7,838				
166	Medical Records				2,362		\$ 2,362			
170	Inservice Education - Nursing			\$ 4,266						
ANCILLARY SERVICES										
075	Patient Supplies			0	1,092	82	25	\$ 1,199	\$ 1,035	\$ 165
077	Specialized Support Surfaces			0	0	12	4	16	14	2
080	Physical Therapy			0	1,904	764	230	2,898	2,500	397
081	Respiratory Therapy			0	1,904	9	3	1,916	1,654	263
082	Occupational Therapy			0	1,904	488	147	2,539	2,191	348
083	Speech Pathology			0	1,904	196	59	2,159	1,862	296
085	Pharmacy			0	1,063	281	85	1,429	1,233	196
090	Laboratory			0	0	34	10	44	38	6
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	74	22	96	83	13
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
ROUTINE SERVICES										
105	Skilled Nursing Care			4,266	183,235	5,881	1,772	190,888	164,703	26,185 *
110	Intermediate Care			0	0	0	0	0	0	0 *
115	Mentally Disordered Care			0	0	0	0	0	0	0 *
120	Developmentally Disabled Care			0	0	0	0	0	0	0 *
125	Subacute Care			0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric			0	0	0	0	0	0	0 *
128	Transitional Inpatient Care			0	0	0	0	0	0	0 *
130	Hospice Inpatient Care			0	0	0	0	0	0	0 *
135	Other Routine Services			0	0	0	0	0	0	0 *
NONREIMBURSABLE										
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			0	2,731	16	5	2,752	2,374	377
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 205,936	100%	\$ 4,266	\$ 195,737	\$ 7,838	\$ 2,362	\$ 205,936	\$ 177,687	\$ 28,249

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 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. 58% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 6% of Total	Quality Assur. Fees 34% of Total	Caregiver Training 0% of Total
GENERAL SERVICES														
045	Property Insurance	\$ 8,419												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	740,982												
	Total Costs Allocable as Administration	749,401	58%											
167	CDPH Licensing Fees	24,557	2%											
168	Professional Liability Insurance	73,254	6%											
169	Quality Assurance Fees	445,337	34%											
174	Caregiver Training	0	0%											
	Total	1,292,549	100%						\$ 1,292,549					
ANCILLARY SERVICES														
075	Patient Supplies			\$ -	\$ 1,144	\$ 53,823	\$ 1,092	\$ 56,059	13,561	\$ 7,863	\$ 258	\$ 769	\$ 4,672	\$ -
077	Specialized Support Surfaces			0	0	8,345	0	8,345	2,019	1,170	38	114	696	0
080	Physical Therapy			514,057	1,994	2,576	1,904	520,532	125,921	73,007	2,392	7,136	43,385	0
081	Respiratory Therapy			0	1,994	2,576	1,904	6,475	1,566	908	30	89	540	0
082	Occupational Therapy			326,334	1,994	2,576	1,904	332,809	80,509	46,678	1,530	4,563	27,739	0
083	Speech Pathology			126,851	1,994	2,576	1,904	133,326	32,253	18,700	613	1,828	11,112	0
085	Pharmacy			0	1,113	189,519	1,063	191,695	46,373	26,886	881	2,628	15,977	0
090	Laboratory			0	0	23,152	0	23,152	5,601	3,247	106	317	1,930	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	50,523	0	50,523	12,222	7,086	232	693	4,211	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
ROUTINE SERVICES														
105	Skilled Nursing Care			2,579,868	642,066	604,103	183,235	4,009,272	969,879	562,322	18,427	54,967	334,164	0
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0
NONREIMBURSABLE														
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	2,860	5,345	2,731	10,935	2,645	1,534	50	150	911	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	\$ 1,292,549		\$ 3,547,110	\$ 655,159	\$ 945,116	\$ 195,737	\$ 5,343,122	\$ 1,292,549					
	Total Administrative Costs							\$ 1,292,549		\$ 749,401	\$ 24,557	\$ 73,254	\$ 445,337	\$ -
	Unit Cost Multiplier							0.24190897						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 68,063	\$ 18,696	\$ 10,199	\$ 96,958							
	TOTAL FACILITY COSTS							\$ 6,732,629						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj)	Plant Ops (SQ FT) 5 (Adj)	Hskpng (SQ FT) 10 (Adj)	Laundry (LBS) 60 (Adj)	Dietary (MEALS) 65 (Adj)	Soc 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	587									
010	Housekeeping	338	338								
060	Laundry and Linen	455	455	455							
065	Dietary	1,431	1,431	1,431							
155	Social Services	137	137	137							
160	Activities	559	559	559							
165	Administration	531	531	531							
166	Medical Records	160	160	160							
170	Inservice Education - Nursing	289	289	289							
ANCILLARY SERVICES											
075	Patient Supplies	74	74	74						56,059	56,059
077	Specialized Support Surfaces									8,345	8,345
080	Physical Therapy	129	129	129						520,532	520,532
081	Respiratory Therapy	129	129	129						6,475	6,475
082	Occupational Therapy	129	129	129						332,809	332,809
083	Speech Pathology	129	129	129						133,326	133,326
085	Pharmacy	72	72	72						191,695	191,695
090	Laboratory									23,152	23,152
095	Home Health Services									0	0
100	Other Ancillary Services									50,523	50,523
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
ROUTINE SERVICES											
105	Skilled Nursing Care	9,543	9,543	9,543	340,110	102,033	2,572,233	2,572,233	2,572,233	4,009,272	4,009,272
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	185	185	185						10,935	10,935
145	Other Nonreimbursable									0	0
TOTAL STATISTICS		14,877	14,290	13,952	340,110	102,033	2,572,233	2,572,233	2,572,233	5,343,122	5,343,122
TOTAL DIRECT SALARIES COSTS - SCH. 2							\$ 37,056	\$ 95,956			
UNIT COST MULTIPLIER (DIRECT SALARIES)							0.01440616	0.037304552			
TOTAL INDIRECT SALARIES COSTS - SCH. 3			\$ 71,328	\$ 146,023	\$ 106,670	\$ 312,896	\$ 2,118	\$ 8,641	\$ 64,230	\$ 8,208	\$ 59,855
UNIT COST MULTIPLIER (INDIRECT SALARIES)			4.99146256	10.46610625	0.31363439	3.06661356	0.00082329	0.00335925	0.02497061	0.00153618	0.01120229
TOTAL INDIRECT OTHER COSTS - SCH. 4			\$ 237,038	\$ 47,224	\$ 30,895	\$ 230,175	\$ 3,026	\$ 18,262	\$ 5,772	\$ 10,605	\$ 8,091
UNIT COST MULTIPLIER (INDIRECT OTHER)			16.58768370	3.38472170	0.09083957	2.25588302	0.00117650	0.00709950	0.00224397	0.00198486	0.00151421
TOTAL CAPITAL COSTS - SCH. 5		\$ 205,936	\$ 8,126	\$ 4,871	\$ 6,716	\$ 21,122	\$ 2,022	\$ 8,251	\$ 4,266	\$ 7,838	\$ 2,362
UNIT COST MULTIPLIER (CAPITAL COSTS)		13.84257579	0.56862085	0.34912446	0.01974639	0.20701165	0.00078615	0.00320773	0.00165838	0.00146688	0.00044200

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:

MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:

JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:

1588750202

OSHPD Facility Number:

206190496

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	\$ 188,290	\$ (129,803)	\$ 58,487	(Sch 3)
005	.20-.39	Fringe Benefits	6200	12,841	0	12,841	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	274,589	(37,551)	237,038	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 475,720	\$ (167,354)	\$ 308,366	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 118,352	\$ 0	\$ 118,352	(Sch 3)
010	.20-.39	Fringe Benefits	6300	25,984	0	25,984	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	41,617	0	41,617	(Sch 4)
010		Housekeeping - Total	6300	\$ 185,953	\$ 0	\$ 185,953	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 36,813	\$ 0	\$ 36,813	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	1,549	0	1,549	(Sch 5)
025		Depreciation: Equipment	7140	12,138	0	12,138	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		12,087	12,087	(Sch 5)
035		Leases and Rentals	7200		6,719	6,719	(Sch 5)
040		Property Taxes	7300	28,249	0	28,249	(Sch 5)
045		Property Insurance	7400	8,419	0	8,419	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500	108,381	0	108,381	(Sch 5)
055		Interest - Other	7600	\$	\$ 0	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 857,222	\$ (148,548)	\$ 708,674	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 81,700	\$ 0	\$ 81,700	(Sch 3)
060	.20-.39	Fringe Benefits	6400	17,937	0	17,937	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	21,808	0	21,808	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 121,445	\$ 0	\$ 121,445	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 250,411	\$ (11,981)	\$ 238,430	(Sch 3)
065	.20-.39	Fringe Benefits	6500	52,346	0	52,346	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	201,594	0	201,594	(Sch 4)
065		Dietary - Total	6500	\$ 504,351	\$ (11,981)	\$ 492,370	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		Ancillary Services					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	52,345	0	52,345	(Sch 4)
075		Patient Supplies - Total	8100	\$ 52,345	\$ 0	\$ 52,345	
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	8,345	0	8,345	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 8,345	\$ 0	\$ 8,345	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

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	514,057	0	514,057	(Sch 2)
080	.40-.99	Other - Nonlabor	8200		0	0	(Sch 4)
080		Physical Therapy - Total	8200	\$ 514,057	\$ 0	\$ 514,057	
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	326,334	0	326,334	(Sch 2)
082	.40-.99	Other - Nonlabor	8250		0	0	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 326,334	\$ 0	\$ 326,334	
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	126,851	0	126,851	(Sch 2)
083	.40-.99	Other - Nonlabor	8280		0	0	(Sch 4)
083		Speech Pathology - Total	8280	\$ 126,851	\$ 0	\$ 126,851	
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	188,081	0	188,081	(Sch 4)
085		Pharmacy - Total	8300	\$ 188,081	\$ 0	\$ 188,081	
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	23,152	0	23,152	(Sch 4)
090		Laboratory - Total	8400	\$ 23,152	\$ 0	\$ 23,152	
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	22,796	27,727	50,523	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 22,796	\$ 27,727	\$ 50,523	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

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		\$ 1,261,961	\$ 27,727	\$ 1,289,688	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,059,481	\$ (53,115)	\$ 2,006,366	(Sch 2)
105	.20-.39	Fringe Benefits	6110	444,921	(4,431)	440,490	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	139,873	(14,496)	125,377	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 2,644,275	\$ (72,042)	\$ 2,572,233	
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:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

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
139	.20-.39	Fringe Benefits	9100		0	0
139	.49	Agency Staff	9100		0	0
139	.40-.99	Other - Nonlabor	9100		0	0
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0
						(Sch 2)
140		Beauty and Barber				
140	.01-.19	Salaries and Wages	8900	\$	\$ 0	\$ 0
140	.20-.39	Fringe Benefits	8900		0	0
140	.49	Agency Staff	8900		0	0
140	.40-.99	Other - Nonlabor	8900	1,650	0	1,650
140		Beauty and Barber - Total	8900	\$ 1,650	\$ 0	\$ 1,650
						(Sch 2)
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0
145	.20-.39	Fringe Benefits	9100		0	0
145	.49	Agency Staff	9100		0	0
145	.40-.99	Other - Nonlabor	9100		0	0
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
						(Sch 2)
146		Subtotal 105 - 145		\$ 2,645,925	\$ (72,042)	\$ 2,573,883
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 30,385	\$ 0	\$ 30,385
155	.20-.39	Fringe Benefits	6600	6,671	0	6,671
155	.49	Agency Staff	6600		0	0
155	.40-.99	Other - Nonlabor	6600	290	0	290
155		Social Services - Total	6600	\$ 37,346	\$ 0	\$ 37,346
						(Sch 2)

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
MAGNOLIA GARDENS CONVALESCENT HOSPITAL

Fiscal Period:
JULY 1, 2010 THROUGH JUNE 30, 2011

Provider NPI:
1588750202

OSHPD Facility Number:
206190496

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	\$ 78,682	\$ 0	\$ 78,682	(Sch 2)
160	.20-.39	Fringe Benefits	6700	17,274	0	17,274	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	7,097	0	7,097	(Sch 4)
160		Activities - Total	6700	\$ 103,053	\$ 0	\$ 103,053	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 382,486	\$ (138,613)	\$ 243,873	(Sch 6)
165	.20-.39	Fringe Benefits	6900	49,110	4,431	53,541	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	503,306	(59,738)	443,568	(Sch 6)
165		Administration - Total	6900	\$ 934,902	\$ (193,920)	\$ 740,982	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 47,052	\$ 0	\$ 47,052	(Sch 3)
166	.20-.39	Fringe Benefits	6900	10,330	0	10,330	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	4,895	0	4,895	(Sch 4)
166		Medical Records - Total	6900	\$ 62,277	\$ 0	\$ 62,277	
167		CDPH Licensing Fees	6900	\$ 24,557	\$ 0	\$ 24,557	(Sch 6)
168		Professional Liability Insurance	6900	\$ 81,264	\$ (8,010)	\$ 73,254	(Sch 6)
169		Quality Assurance Fees	6900	\$ 445,337	\$ 0	\$ 445,337	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 49,004	\$ 0	\$ 49,004	(Sch 3)
170	.20-.39	Fringe Benefits	6800	10,759	0	10,759	(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	\$ 59,763	\$ 0	\$ 59,763	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900		0	0	(Sch 6)
174	.49	Agency Staff	6900		0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900		0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		Subtotal 155 - 174		\$ 1,748,499	\$ (201,930)	\$ 1,546,569	
200		Total		\$ 7,139,403	\$ (406,774)	\$ 6,732,629	

210	0.24	Total Facility Group Health Insurance * (Adj 1)	6900			\$ 74,429	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name						Fiscal Period			Provider NPI		Adjustments	
MAGNOLIA GARDENS CONVALESCENT HOSPITAL						JULY 1, 2010 THROUGH JUNE 30, 2011			1588750202		15	
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		Total Facility 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, Sections 2300 and 2304			\$0	\$74,429	\$74,429

Provider Name							Fiscal Period		Provider NPI		Adjustments
MAGNOLIA GARDENS CONVALESCENT HOSPITAL							JULY 1, 2010 THROUGH JUNE 30, 2011		1588750202		15
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	
RECLASSIFICATIONS OF REPORTED COSTS											
2	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	\$503,306	(\$12,087)	\$491,219 *	
	10.5	030	4	8A-1	030	4	Depreciation and Amortization - Other To reclassify amortization of loan fees 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 2302.8	0	12,087	12,087	
3	10.5	168	4	8A-1	168	4	Administration - Professional Liability Insurance	\$81,264	(\$3,100)	\$78,164 *	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To reclassify surplus lines taxes and stamping fees associated with liability insurance to the Administration cost center 42 CFR 413.24 / CMS Pub. 15-1, Section 2162 CCR, Title 22, Sections 52000(b) and 52501	* 491,219	3,100	494,319 *	
4	10.5	168	4	8A-1	168	4	Administration - Professional Liability Insurance	* \$78,164	(\$4,910)	\$73,254	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To reclassify all other insurance expense from the Professional Liability Insurance cost center to Administration cost center. 42 CFR 413.24 / CMS Pub. 15-1, Sections 2304 and 2162 CCR, Title 22, Sections 52000(b), 52501 and 52507	* 494,319	4,910	499,229 *	
5	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$2,059,481	(\$20,183)	\$2,039,298 *	
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	382,486	20,183	402,669 *	
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	444,921	(4,431)	440,490	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits To reclassify central supply clerk salaries, wages, and benefits to the Administration 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	49,110	4,431	53,541	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
MAGNOLIA GARDENS CONVALESCENT HOSPITAL							JULY 1, 2010 THROUGH JUNE 30, 2011	1588750202		15	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>											
6	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	\$499,229	\$5,412	\$504,641 *
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify pharmacy consultant fees to the administration cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8 CCR, Title 22, Sections 51510(c) and 51511(c)		139,873	(5,412)	134,461 *
7	10.5	100	4	8A-1	100	4	Other Ancillary Services - Other - Nonlabor		\$22,796	\$2,184	\$24,980 *
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify oxygen expenses from Skilled Nursing to an ancillary cost center. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51511	*	134,461	(2,184)	132,277 *
8	10.5	100	4	8A-1	100	4	Other Ancillary Services - Other - Nonlabor	*	\$24,980	\$1,946	\$26,926 *
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To reclassify nursing supplies expenses from Skilled Nursing to an ancillary cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2202.8 and 2203.2	*	132,277	(1,946)	130,331 *
9	10.5	035	4	8A-1	035	4	Leases and Rentals		\$0	\$6,719	\$6,719
	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor To reclassify generator rental expenses 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 2302.8		274,589	(6,719)	267,870 *

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
MAGNOLIA GARDENS CONVALESCENT HOSPITAL							JULY 1, 2010 THROUGH JUNE 30, 2011			1588750202		15
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>RECLASSIFICATIONS OF REPORTED COSTS</u>												
10	10.5	100	4	8A-1	100	4	Other Ancillary Services - Other - Nonlabor	*	\$26,926	\$23,597	\$50,523	
	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor	*	267,870	(23,597)	244,273 *	
							To reclassify durable medical equipment expenses from Plant Operations to an ancillary cost center.					
							42 CFR 413.20 and 413.24					
							CMS Pub. 15-1, Sections 2202.8 and 2203.2					
							CCR, Title 22, Sections 51321 and 51511(c)					

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
MAGNOLIA GARDENS CONVALESCENT HOSPITAL							JULY 1, 2010 THROUGH JUNE 30, 2011		1588750202		15
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	
ADJUSTMENTS TO REPORTED COSTS											
11	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To eliminate nursing supplies expenses 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)	*	\$130,331	(\$4,954)	\$125,377
12	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor To eliminate patient television costs. 42 CFR 413.9(c)(3), 413.24, and 413.50 CMS Pub. 15-1, Sections 2106.1 and 2304	*	\$244,273	(\$7,235)	\$237,038
13	10.5	005	1	8A-1	005	1	Plant Operations and Maintenance - Salaries and Wages		\$188,290	(\$129,803)	\$58,487
	10.5	065	1	8A-1	065	1	Dietary - Salaries and Wages		250,411	(11,981)	238,430
	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	*	2,039,298	(32,932)	2,006,366
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	*	402,669	(158,796)	243,873
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To adjust reported home office costs to agree with the Longwood Management Corporation Home Office Audit Reports for fiscal periods ended February 28, 2011 and February 29, 2012. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	*	504,641	(61,073)	443,568

*Balance carried forward from prior/to subsequent adjustments

Provider Name						Fiscal Period		Provider NPI		Adjustments	
MAGNOLIA GARDENS CONVALESCENT HOSPITAL						JULY 1, 2010 THROUGH JUNE 30, 2011		1588750202		15	
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>ADJUSTMENT TO REPORTED PATIENT DAYS</u>											
14	4.1	5	2	1	15		Medi-Cal Patient Days	22,590	(174)	22,416	
							To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: July 01, 2010 through June 30, 2011 Payment Period: July 01, 2010 through August 31, 2012 Report Date: September 18, 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				

Provider Name		Fiscal Period					Provider NPI		Adjustments	
MAGNOLIA GARDENS CONVALESCENT HOSPITAL		JULY 1, 2010 THROUGH JUNE 30, 2011					1588750202		15	
Report References							As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments			
<u>ADJUSTMENT TO OTHER MATTERS</u>										
15	Not Reported			1	14		Medi-Cal Overpayments	\$0	\$19,997	\$19,997
							To recover outstanding Medi-Cal credit balances.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2300 and 2304			
							CCR, Title 22, Sections 50761 and 51458.1			