

**REPORT  
ON THE  
RATE SETTING AUDIT**

**KINDRED NURSING AND HEALTHCARE – BAYBERRY  
CONCORD, CALIFORNIA  
NPI NUMBER: 1932129731**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Michael Harrold  
Auditor: Jeanene Lopez**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

May 17, 2013

Donna Dornbrook  
Corporate Director of Reimbursement  
Kindred Healthcare, Inc.  
680 South Fourth Street  
Louisville, Kentucky 40202

KINDRED NURSING AND HEALTHCARE - BAYBERRY  
NATIONAL PROVIDER IDENTIFIER (NPI) 1932129731  
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's Integrated Disclosure and Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from patient share of cost. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and 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 \$14,437, which resulted from Medi-Cal overpayments
3. 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.

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 Rate 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.

Donna Dornbrook  
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed By

Michael A. Harrold, Chief  
Audits Section—Fresno  
Financial Audits Branch

Certified

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

## Provider Name:

KINDRED NURSING AND HEALTHCARE - BAYBERRY

## Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

## Provider NPI:

1932129731

## OSHPD Facility No.:

206070896

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
<b>SKILLED NURSING CARE</b>				
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	\$ N/A	\$ 3,489,510	\$ 107.89
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 746,447	\$ 23.08
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 618,605	\$ 19.13
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 1,063,469	\$ 32.88
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 58,515	\$ 1.81
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 18,181	\$ 0.56
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 25,901	\$ 0.80
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 336,710	\$ 10.41
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 831,561	\$ 25.71
11	Cost of Routine Service/Audited Total Costs	\$ 7,213,725.00	\$ 7,188,899	\$ 222.28
12	Total Patient Days (Adj 6)	32,333	32,342	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 223.11	\$ 222.28	
14	Overpayments (Adj 8-10)	\$ 0	\$ (14,437)	
15	Medi-Cal Days (Adj 7)	22,571	22,579	
16	Medi-Cal Managed Care Days (Adj )		0	
<b>INTERMEDIATE CARE</b>				
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
18	Total Patient Days (Adj )		0	
19	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
20	Overpayments (Adj )	\$	\$ 0	
<b>MENTALLY DISORDERED CARE</b>				
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
22	Total Patient Days (Adj )		0	
23	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
24	Overpayments (Adj )	\$	\$ 0	
<b>DEVELOPMENTALLY DISABLED CARE</b>				
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
26	Total Patient Days (Adj )		0	
27	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
28	Overpayments (Adj )	\$	\$ 0	
<b>SUBACUTE CARE</b>				
29	Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)	\$ N/A	\$ 0	\$ 0.00
30	Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)	\$ N/A	\$ 0	\$ 0.00
31	Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27)	\$ N/A	\$ 0	\$ 0.00
32	Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)	\$ N/A	\$ 0	\$ 0.00
33	Property Taxes (Subacute Care Sch. 1, Ln. 29)	\$ N/A	\$ 0	\$ 0.00
34	CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)	\$ N/A	\$ 0	\$ 0.00
35	Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)	\$ N/A	\$ 0	\$ 0.00
36	Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)	\$ N/A	\$ 0	\$ 0.00
37	Caregiver Training (Subacute Care Sch. 1, Ln. 33)	\$ N/A	\$ 0	\$ 0.00
38	Cost of Administration (Subacute Care Sch.1, Ln. 34)	\$ N/A	\$ 0	\$ 0.00
39	Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)	\$ 0	\$ 0	\$ 0.00
40	Total Patient Days (Subacute Care Sch. 1, Ln. 36)	0	0	
41	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
42	Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)	\$ 0	\$ 0	

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

**Provider Name:**  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

**Provider NPI:**  
1932129731

**OSHPD Facility No.:**  
206070896

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

ALLOCATION OF GENERAL SERVICES  
DIRECT CARE LABOR

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility No.:  
206070896

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Svcs	Activities	Total
			155	160	
	<b>GENERAL SERVICES</b>				
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 70,247	\$ 70,247		
160	Activities	121,692		\$ 121,692	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
	<b>ANCILLARY SERVICES</b>				
075	Patient Supplies	17,051	0	0	17,051
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	0	0	0	0
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	0	0	0	0
083	Speech Pathology	0	0	0	0
085	Pharmacy	0	0	0	0
090	Laboratory	0	0	0	0
095	Home Health Services	0	0	0	0
100	Other Ancillary Services	0	0	0	0
101	Subacute Care Ancillary Services	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0
	<b>ROUTINE SERVICES</b>				
105	Skilled Nursing Care	3,297,571	70,247	121,692	3,489,510 *
110	Intermediate Care	0	0	0	0 *
115	Mentally Disordered Care	0	0	0	0 *
120	Developmentally Disabled Care	0	0	0	0 *
125	Subacute Care	0	0	0	0 *
126	Subacute Care - Pediatric	0	0	0	0 *
128	Transitional Inpatient Care	0	0	0	0 *
130	Hospice Inpatient Care	0	0	0	0 *
135	Other Routine Services	0	0	0	0 *
	<b>NONREIMBURSABLE</b>				
139	Residential Care	0	0	0	0
140	Beauty and Barber	0	0	0	0
145	Other Nonreimbursable	0	0	0	0
	<b>TOTAL</b>	<b>\$ 3,506,561</b>	<b>\$ 70,247</b>	<b>\$ 121,692</b>	<b>\$ 3,506,561</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 005	Hskpng 010	Laundry 060	Dietary 065	Soc Svcs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total
<b>GENERAL SERVICES</b>													
005	Plant Operations and Maintenance	\$ 57,877	\$ 57,877										
010	Housekeeping	125,233	229	\$ 125,462									
060	Laundry and Linen	81,486	302	658	\$ 82,446								
065	Dietary	350,585	7,103	15,458	0	\$ 373,146							
155	Social Services	N/A	309	673	0	0	\$ 983						
160	Activities	N/A	3,742	8,145	0	0	0	\$ 11,887					
165	Administration	N/A	3,327	7,242	0	0	0	0	\$ 10,569	\$ 10,569			
166	Medical Records	66,285	491	1,070	0	0	0	0	67,846		\$ 67,846		
170	Inservice Education - Nursing	97,822	506	1,101	0	0	0	0	\$ 99,429				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		612	1,331	0	0	0	0	0	1,943	113	725	\$ 2,780
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		1,737	3,779	0	0	0	0	0	5,516	817	5,243	11,576
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		1,380	3,003	0	0	0	0	0	4,383	687	4,409	9,478
083	Speech Pathology		189	412	0	0	0	0	0	601	139	894	1,635
085	Pharmacy		124	269	0	0	0	0	0	393	540	3,466	4,400
090	Laboratory		0	0	0	0	0	0	0	0	87	558	645
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	76	486	561
101	Subacute Care Ancillary Services		0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services		0	0	0	0	0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>													
105	Skilled Nursing Care		37,323	81,228	82,446	373,146	983	11,887	99,429	686,441	8,088	51,918	746,447 *
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care		0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric		0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0 *
<b>NONREIMBURSABLE</b>													
139	Residential Care		0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber		415	903	0	0	0	0	0	1,318	19	125	1,462
145	Other Nonreimbursable		87	190	0	0	0	0	0	278	3	22	303
	<b>TOTAL</b>	<b>\$ 779,288</b>	<b>\$ 57,877</b>	<b>\$ 125,462</b>	<b>\$ 82,446</b>	<b>\$ 373,146</b>	<b>\$ 983</b>	<b>\$ 11,887</b>	<b>\$ 99,429</b>	<b>\$ 700,873</b>	<b>\$ 10,569</b>	<b>\$ 67,846</b>	<b>\$ 779,288</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 5	Hskpng 10	Laundry 60	Dietary 65	Soc Svcs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total
<b>GENERAL SERVICES</b>													
005	Plant Operations and Maintenance	\$ 221,268	\$ 221,268										
010	Housekeeping	14,293	877	\$ 15,170									
060	Laundry and Linen	24,584	1,155	80	\$ 25,819								
065	Dietary	231,540	27,154	1,869		\$ 260,563							
155	Social Services	0	1,183	81	0	0	\$ 1,264						
160	Activities	6,014	14,308	985	0	0	0	\$ 21,306					
165	Administration	N/A	12,721	876	0	0	0	0		\$ 13,597	\$ 13,597		
166	Medical Records	5,138	1,879	129	0	0	0	0		7,146		\$ 7,146	
170	Inservice Education - Nursing	772	1,935	133	0	0	0	0	\$ 2,840				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	46,860	2,338	161	0	0	0	0	0	49,359	145	76	\$ 49,581
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	539,608	6,639	457	0	0	0	0	0	546,704	1,051	552	548,307
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	456,096	5,275	363	0	0	0	0	0	461,734	884	464	463,082
083	Speech Pathology	95,087	724	50	0	0	0	0	0	95,861	179	94	96,134
085	Pharmacy	386,224	473	33	0	0	0	0	0	386,730	695	365	387,790
090	Laboratory	62,797	0	0	0	0	0	0	0	62,797	112	59	62,968
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	54,609	0	0	0	0	0	0	0	54,609	97	51	54,757
101	Subacute Care Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>													
105	Skilled Nursing Care	138,431	142,687	9,821	25,819	260,563	1,264	21,306	2,840	602,732	10,405	5,469	618,605 *
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care	0	0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric	0	0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0 *
<b>NONREIMBURSABLE</b>													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	2,092	1,587	109	0	0	0	0	0	3,788	25	13	3,826
145	Other Nonreimbursable	0	334	23	0	0	0	0	0	357	4	2	364
	<b>TOTAL</b>	<b>\$ 2,285,413</b>	<b>\$ 221,268</b>	<b>\$ 15,170</b>	<b>\$ 25,819</b>	<b>\$ 260,563</b>	<b>\$ 1,264</b>	<b>\$ 21,306</b>	<b>\$ 2,840</b>	<b>\$ 2,264,670</b>	<b>\$ 13,597</b>	<b>\$ 7,146</b>	<b>\$ 2,285,413</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Capital Various	Plant Ops 5	Hskpng 10	Laundry 60	Dietary 65	Soc Srvs 155	Activities 160
<b>GENERAL SERVICES</b>										
	Capital Related (excluding lines 40 & 45)	\$ 1,174,281	95%							
	Property Tax (line 40)	64,612	5%	\$ 1,238,893						
005	Plant Operations and Maintenance			30,184	\$ 30,184					
010	Housekeeping			4,790	120	\$ 4,909				
060	Laundry and Linen			6,310	158	26	\$ 6,494			
065	Dietary			148,333	3,704	605	0	\$ 152,642		
155	Social Services			6,462	161	26	0	0	\$ 6,650	
160	Activities			78,158	1,952	319	0	0	0	\$ 80,428
165	Administration			69,491	1,735	283	0	0	0	0
166	Medical Records			10,264	256	42	0	0	0	0
170	Inservice Education - Nursing			10,568	264	43	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			12,773	319	52	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			36,266	906	148	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			28,815	720	118	0	0	0	0
083	Speech Pathology			3,954	99	16	0	0	0	0
085	Pharmacy			2,585	65	11	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care			779,450	19,464	3,179	6,494	152,642	6,650	80,428
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
<b>NONREIMBURSABLE</b>										
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			8,667	216	35	0	0	0	0
145	Other Nonreimbursable			1,825	46	7	0	0	0	0
	<b>TOTAL</b>	\$ 1,238,893	100%	\$ 1,238,893	\$ 30,184	\$ 4,909	\$ 6,494	\$ 152,642	\$ 6,650	\$ 80,428

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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 95% Of Total	Property Tax 5% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 1,174,281	95%							
	Property Tax (line 40)	64,612	5%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 71,509	\$ 71,509				
166	Medical Records				10,562		\$ 10,562			
170	Inservice Education - Nursing			\$ 10,875						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	13,144	764	113	\$ 14,021	\$ 13,289	\$ 731
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	37,319	5,526	816	43,662	41,384	2,277
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	29,652	4,647	686	34,985	33,161	1,825
083	Speech Pathology			0	4,068	942	139	5,150	4,881	269
085	Pharmacy			0	2,660	3,654	540	6,853	6,496	357
090	Laboratory			0	0	589	87	676	640	35
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	512	76	587	557	31
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
	<b>ROUTINE SERVICES</b>									
105	Skilled Nursing Care			10,875	1,059,181	54,721	8,082	1,121,984	1,063,469	58,515
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
	<b>NONREIMBURSABLE</b>									
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			0	8,919	131	19	9,070	8,597	473
145	Other Nonreimbursable			0	1,878	24	3	1,905	1,805	99
	<b>TOTAL</b>	\$ 1,238,893	100%	\$ 10,875	\$ 1,156,822	\$ 71,509	\$ 10,562	\$ 1,238,893	\$ 1,174,281	\$ 64,612

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Accum Costs (From Sch 2)	Accum Costs (From Sch 3)	Accum Costs (From Sch 4)	Accum Costs (From Sch 5)	Total Accum Costs	Allocated Admin. Costs	Admin. 69% of Total	DPH Licensing Fees 1% of Total	Professional Liability Ins. 2% of Total	Quality Assur. Fees 28% of Total	Caregiver Training 0% of Total
	<b>GENERAL SERVICES</b>													
045	Property Insurance	\$ 10,816												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor) Total Costs Allocable as Administration	1,075,868 1,086,684	69%											
167	CDPH Licensing Fees	23,759	1%											
168	Professional Liability Insurance	33,847	2%											
169	Quality Assurance Fees	440,013	28%											
174	Caregiver Training	0	0%											
	Total	1,584,303	100%						\$ 1,584,303					
	<b>ANCILLARY SERVICES</b>													
075	Patient Supplies			\$ 17,051	\$ 1,943	\$ 49,359	\$ 13,144	\$ 81,497	16,924	\$ 11,609	\$ 254	\$ 362	\$ 4,700	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	5,516	546,704	37,319	589,539	122,430	83,975	1,836	2,616	34,003	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	4,383	461,734	29,652	495,769	102,957	70,619	1,544	2,200	28,594	0
083	Speech Pathology			0	601	95,861	4,068	100,530	20,877	14,320	313	446	5,798	0
085	Pharmacy			0	393	386,730	2,660	389,783	80,946	55,522	1,214	1,729	22,481	0
090	Laboratory			0	0	62,797	0	62,797	13,041	8,945	196	279	3,622	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	54,609	0	54,609	11,341	7,779	170	242	3,150	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
	<b>ROUTINE SERVICES</b>													
105	Skilled Nursing Care			3,489,510	686,441	602,732	1,059,181	5,837,864	1,212,352	831,561	18,181	25,901	336,710	0*
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0*
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0*
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0*
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0*
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0*
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0*
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0*
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0*
	<b>NONREIMBURSABLE</b>													
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	1,318	3,788	8,919	14,025	2,913	1,998	44	62	809	0
145	Other Nonreimbursable			0	278	357	1,878	2,512	522	358	8	11	145	0
	<b>SUBTOTAL</b>	\$ 1,584,303		\$ 3,506,561	\$ 700,873	\$ 2,264,670	\$ 1,156,822	\$ 7,628,926	\$ 1,584,303					
	Total Administrative Costs							\$ 1,584,303		\$ 1,086,684	\$ 23,759	\$ 33,847	\$ 440,013	\$ -
	Unit Cost Multiplier							0.20767053						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 78,415	\$ 20,743	\$ 82,071	\$ 181,229							
	<b>TOTAL FACILITY COSTS</b>							\$ 9,394,458						

\* (To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 5)	Plant Ops (SQ FT) 5 (Adj 1,5)	Hskpng (SQ FT) 10 (Adj 1,5)	Laundry (LBS) 60 (Adj )	Dietary (MEALS) 65 (Adj )	Soc Svcs (DIRECT EXP) 155 (Adj )	Activities (DIRECT EXP) 160 (Adj )	Inserv. Ed (DIRECT EXP) 170 (Adj )	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	397									
010	Housekeeping	63	63								
060	Laundry and Linen	83	83	83							
065	Dietary	1,951	1,951	1,951							
155	Social Services	85	85	85							
160	Activities	1,028	1,028	1,028							
165	Administration	914	914	914							
166	Medical Records	135	135	135							
170	Inservice Education - Nursing	139	139	139							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	168	168	168						81,497	81,497
077	Specialized Support Surfaces									0	0
080	Physical Therapy	477	477	477						589,539	589,539
081	Respiratory Therapy									0	0
082	Occupational Therapy	379	379	379						495,769	495,769
083	Speech Pathology	52	52	52						100,530	100,530
085	Pharmacy	34	34	34						389,783	389,783
090	Laboratory									62,797	62,797
095	Home Health Services									0	0
100	Other Ancillary Services									54,609	54,609
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	10,252	10,252	10,252	64,248	96,372	3,436,002	3,436,002	3,436,002	5,837,864	5,837,864
110	Intermediate Care						0	0	0	0	0
115	Mentally Disordered Care						0	0	0	0	0
120	Developmentally Disabled Care						0	0	0	0	0
125	Subacute Care						0	0	0	0	0
126	Subacute Care - Pediatric						0	0	0	0	0
128	Transitional Inpatient Care						0	0	0	0	0
130	Hospice Inpatient Care						0	0	0	0	0
135	Other Routine Services						0	0	0	0	0
	<b>NONREIMBURSABLE</b>										
139	Residential Care									0	0
140	Beauty and Barber	114	114	114						14,025	14,025
145	Other Nonreimbursable	24	24	24						2,512	2,512
	<b>TOTAL STATISTICS</b>	<b>16,295</b>	<b>15,898</b>	<b>15,835</b>	<b>64,248</b>	<b>96,372</b>	<b>3,436,002</b>	<b>3,436,002</b>	<b>3,436,002</b>	<b>7,628,926</b>	<b>7,628,926</b>
	<b>TOTAL DIRECT SALARIES COSTS - SCH. 2</b>						\$ 70,247	\$ 121,692			
	<b>UNIT COST MULTIPLIER (DIRECT SALARIES)</b>						0.0204444	0.035416743			
	<b>TOTAL INDIRECT SALARIES COSTS - SCH. 3</b>		\$ 57,877	\$ 125,462	\$ 82,446	\$ 373,146	\$ 983	\$ 11,887	\$ 99,429	\$ 10,569	\$ 67,846
	<b>UNIT COST MULTIPLIER (INDIRECT SALARIES)</b>		3.64052082	7.92310406	1.28324276	3.87192994	0.00028606	0.00345966	0.02893751	0.00138541	0.00889327
	<b>TOTAL INDIRECT OTHER COSTS - SCH. 4</b>		\$ 221,268	\$ 15,170	\$ 25,819	\$ 260,563	\$ 1,264	\$ 21,306	\$ 2,840	\$ 13,597	\$ 7,146
	<b>UNIT COST MULTIPLIER (INDIRECT OTHER)</b>		13.91797710	0.95799385	0.40186007	2.70372120	0.00036800	0.00620096	0.00082647	0.00178225	0.00093673
	<b>TOTAL CAPITAL COSTS - SCH. 5</b>	\$ 1,238,893	\$ 30,184	\$ 4,909	\$ 6,494	\$ 152,642	\$ 6,650	\$ 80,428	\$ 10,875	\$ 71,509	\$ 10,562
	<b>UNIT COST MULTIPLIER (CAPITAL COSTS)</b>	76.02902731	1.89857365	0.31003719	0.10107278	1.58387947	0.00193545	0.02340752	0.00316503	0.00937343	0.00138448

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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	\$ 42,544	\$ 0	\$ 42,544	(Sch 3)
005	.20-.39	Fringe Benefits	6200	15,333	0	15,333	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	221,268	0	221,268	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 279,145	\$ 0	\$ 279,145	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$	\$ 0	\$ 0	(Sch 3)
010	.20-.39	Fringe Benefits	6300		0	0	(Sch 3)
010	.79	Agency Staff	6300	125,233	0	125,233	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	14,293	0	14,293	(Sch 4)
010		Housekeeping - Total	6300	\$ 139,526	\$ 0	\$ 139,526	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 1,683	\$ 0	\$ 1,683	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	7,972	0	7,972	(Sch 5)
025		Depreciation: Equipment	7140	23,033	0	23,033	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	17,808	0	17,808	(Sch 5)
035		Leases and Rentals	7200	1,123,785	0	1,123,785	(Sch 5)
040		Property Taxes	7300	64,652	(40)	64,612	(Sch 5)
045		Property Insurance	7400	10,816	0	10,816	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	\$	\$ 0	\$ 0	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 1,668,420	\$ (40)	\$ 1,668,380	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$	\$ 0	\$ 0	(Sch 3)
060	.20-.39	Fringe Benefits	6400		0	0	(Sch 3)
060	.79	Agency Staff	6400	81,486	0	81,486	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	24,584	0	24,584	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 106,070	\$ 0	\$ 106,070	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 261,904	\$ 0	\$ 261,904	(Sch 3)
065	.20-.39	Fringe Benefits	6500	88,681	0	88,681	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	231,540	0	231,540	(Sch 4)
065		Dietary - Total	6500	\$ 582,125	\$ 0	\$ 582,125	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		<b>Ancillary Services</b>					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$ 13,397	\$ 0	\$ 13,397	(Sch 2)
075	.20-.39	Fringe Benefits	8100	3,654	0	3,654	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	46,860	0	46,860	(Sch 4)
075		Patient Supplies - Total	8100	\$ 63,911	\$ 0	\$ 63,911	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	\$	\$ 0	\$ 0	N/A
077	.20-.39	Fringe Benefits	8150		0	0	N/A
077	.79	Agency Staff	8150		0	0	N/A
077	.40-.99	Other - Nonlabor	8150		0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
080		Physical Therapy					
080	.01-.19	Salaries and Wages	8200	\$	\$ 0	\$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200		0	0	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	539,608	0	539,608	(Sch 4)
080		Physical Therapy - Total	8200	\$ 539,608	\$ 0	\$ 539,608	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	\$	\$ 0	\$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220		0	0	(Sch 2)
081	.79	Agency Staff	8220		0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220		0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 0	\$ 0	\$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$	\$ 0	\$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250		0	0	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	456,096	0	456,096	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 456,096	\$ 0	\$ 456,096	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$	\$ 0	\$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280		0	0	(Sch 2)
083	.79	Agency Staff	8280		0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	95,087	0	95,087	(Sch 4)
083		Speech Pathology - Total	8280	\$ 95,087	\$ 0	\$ 95,087	
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	386,224	0	386,224	(Sch 4)
085		Pharmacy - Total	8300	\$ 386,224	\$ 0	\$ 386,224	
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	62,797	0	62,797	(Sch 4)
090		Laboratory - Total	8400	\$ 62,797	\$ 0	\$ 62,797	
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	54,609	0	54,609	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 54,609	\$ 0	\$ 54,609	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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		\$ 1,658,332	\$ 0	\$ 1,658,332	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,629,578	\$ 0	\$ 2,629,578	(Sch 2)
105	.20-.39	Fringe Benefits	6110	667,993	0	667,993	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	138,431	0	138,431	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 3,436,002	\$ 0	\$ 3,436,002	
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:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED
128		Transitional Inpatient Care				
128	.01-.19	Salaries and Wages	6170	\$	\$ 0	\$ 0
128	.20-.39	Fringe Benefits	6170		0	0
128	.49	Agency Staff	6170		0	0
128	.40-.99	Other - Nonlabor	6170		0	0
128		Transitional Inpatient Care - Total	6170	\$ 0	\$ 0	\$ 0 (Sch 2)
130		Hospice Inpatient Care				
130	.01-.19	Salaries and Wages	6180	\$	\$ 0	\$ 0
130	.20-.39	Fringe Benefits	6180		0	0
130	.49	Agency Staff	6180		0	0
130	.40-.99	Other - Nonlabor	6180		0	0
130		Hospice Inpatient Care - Total	6180	\$ 0	\$ 0	\$ 0 (Sch 2)
135		Other Routine Services				
135	.01-.19	Salaries and Wages	6190	\$	\$ 0	\$ 0
135	.20-.39	Fringe Benefits	6190		0	0
135	.49	Agency Staff	6190		0	0
135	.40-.99	Other - Nonlabor	6190		0	0
135		Other Routine Services - Total	6190	\$ 0	\$ 0	\$ 0 (Sch 2)
		<b>Other Nonreimbursable</b>				
139		Residential Care				
139	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0 (Sch 2)
139	.20-.39	Fringe Benefits	9100		0	0 (Sch 2)
139	.49	Agency Staff	9100		0	0 (Sch 2)
139	.40-.99	Other - Nonlabor	9100		0	0 (Sch 4)
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0
140		Beauty and Barber				
140	.01-.19	Salaries and Wages	8900	\$	\$ 0	\$ 0 (Sch 2)
140	.20-.39	Fringe Benefits	8900		0	0 (Sch 2)
140	.49	Agency Staff	8900		0	0 (Sch 2)
140	.40-.99	Other - Nonlabor	8900	2,092	0	2,092 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 2,092	\$ 0	\$ 2,092
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0 (Sch 2)
145	.20-.39	Fringe Benefits	9100		0	0 (Sch 2)
145	.49	Agency Staff	9100		0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100		0	0 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
146		<b>Subtotal 105 - 145</b>		\$ 3,438,094	\$ 0	\$ 3,438,094
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 58,324	\$ 0	\$ 58,324 (Sch 2)
155	.20-.39	Fringe Benefits	6600	11,923	0	11,923 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600		0	0 (Sch 4)
155		Social Services - Total	6600	\$ 70,247	\$ 0	\$ 70,247

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
KINDRED NURSING AND HEALTHCARE - BAYBERRY

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

Provider NPI:  
1932129731

OSHPD Facility Number:  
206070896

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	\$ 86,120	\$ 0	\$ 86,120	(Sch 2)
160	.20-.39	Fringe Benefits	6700	35,572	0	35,572	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	6,014	0	6,014	(Sch 4)
160		Activities - Total	6700	\$ 127,706	\$ 0	\$ 127,706	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 299,687	\$ 0	\$ 299,687	(Sch 6)
165	.20-.39	Fringe Benefits	6900	85,075	0	85,075	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	691,020	86	691,106	(Sch 6)
165		Administration - Total	6900	\$ 1,075,782	\$ 86	\$ 1,075,868	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 54,071	\$ 0	\$ 54,071	(Sch 3)
166	.20-.39	Fringe Benefits	6900	12,214	0	12,214	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	5,224	(86)	5,138	(Sch 4)
166		Medical Records - Total	6900	\$ 71,509	\$ (86)	\$ 71,423	
167		CDPH Licensing Fees	6900	\$ 23,759	\$ 0	\$ 23,759	(Sch 6)
168		Professional Liability Insurance	6900	\$ 33,847	\$ 0	\$ 33,847	(Sch 6)
169		Quality Assurance Fees	6900	\$ 440,013	\$ 0	\$ 440,013	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 78,953	\$ 0	\$ 78,953	(Sch 3)
170	.20-.39	Fringe Benefits	6800	18,869	0	18,869	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	772	0	772	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 98,594	\$ 0	\$ 98,594	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900		0	0	(Sch 6)
174	.49	Agency Staff	6900		0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900		0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		<b>Subtotal 155 - 174</b>		\$ 1,941,457	\$ 0	\$ 1,941,457	
200		<b>Total</b>		\$ 9,394,498	\$ (40)	\$ 9,394,458	

210	0.24	Total Facility Group Health Insurance * (Adj 2)	6900		\$	174,638	
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\* For informational purposes only, this amount is included in various cost centers above.









Provider Name							Fiscal Period	Provider NPI	Adjustments	
KINDRED NURSING AND HEALTHCARE - BAYBERRY							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1932129731	10	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<b>MEMORANDUM ADJUSTMENTS</b>										
1	10.7	005	2,3	7	005	N/A	Plant Operations and Maintenance (Square Feet)	397	(397)	0
	10.7	010	3	7	010	N/A	Housekeeping	63	(63)	0
	10.7	175	2	7	N/A	N/A	Total Statistic - Plant Operation:	16,802	(397)	16,405 *
	10.7	175	3	7	N/A	N/A	Total Statistic - Housekeeping	16,802	(460)	16,342 *
							To adjust reported square footage statistics to agree with the audit report format in order to properly allocate indirect costs. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
2	N/A			8	210	N/A	Total Facility Group Health Insurance	\$0	\$174,638	\$174,638
							To identify health insurance costs for informational purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
KINDRED NURSING AND HEALTHCARE - BAYBERRY							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1932129731		10
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		
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>											
3	10.5	166	4	8A-1	166	4	Medical Records - Other - Nonlabor	\$5,224	(\$86)	\$5,138	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	691,020	86	691,106	
							To reclassify provider's offset of medical records sales to the appropriate cost center for proper cost determination. 42 CFR 413.5, 413.9, 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304 and 2328				

Provider Name							Fiscal Period		Provider NPI		Adjustments
KINDRED NURSING AND HEALTHCARE - BAYBERRY							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1932129731		10
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		
<b><u>ADJUSTMENT TO REPORTED COSTS</u></b>											
4	10.5	040	4	8A-1	040	4	Property Taxes To adjust property tax expense to agree with the property tax statements. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$64,652	(\$40)	\$64,612	

Provider Name							Fiscal Period		Provider NPI		Adjustments
KINDRED NURSING AND HEALTHCARE - BAYBERRY							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1932129731		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<b><u>ADJUSTMENT TO REPORTED STATISTICS</u></b>											
5	10.7	075	1,2,3	7	075	N/A	Patient Supplies (Square Feet)	192	(24)	168	
	10.7	085	1,2,3	7	085	N/A	Pharmacy	0	34	34	
	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care	10,262	(10)	10,252	
	10.7	145	1,2,3	7	145	N/A	Other Nonreimbursable	0	24	24	
	10.7	165	1,2,3	7	165	N/A	Administration	1,445	(531)	914	
	10.7	175	1	7	N/A	N/A	Total Statistic - Capital	16,802	(507)	16,295	
	10.7	175	2	7	N/A	N/A	Total Statistic - Plant Operations and Maintenance	* 16,405	(507)	15,898	
	10.7	175	3	7	N/A	N/A	Total Statistic - Housekeeping	* 16,342	(507)	15,835	
To adjust square footage statistics to agree with prior year audit findings. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2304, 2306 and 2328											

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
KINDRED NURSING AND HEALTHCARE - BAYBERRY							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1932129731		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<b><u>ADJUSTMENT TO REPORTED PATIENT DAYS</u></b>											
6	11(2)	105	1	1	12	N/A	Total Patient Days To adjust patient days to agree with provider's census records. 42 CFR 413.24 CMS Pub. 15-1, Sections 2205.4 and 2304 CCR, Title 22, Sections 51535(a) and 51535 (b)	32,333	9	32,342	
7	4.1	5	2	1	15	N/A	Medi-Cal Patient Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2011 through December 31, 2011 Payment Period: January 1, 2011 through September 30, 2012 Report Date: October 12, 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	22,571	8	22,579	

Provider Name							Fiscal Period			Provider NPI		Adjustments
KINDRED NURSING AND HEALTHCARE - BAYBERRY							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1932129731		10
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No						
<b><u>ADJUSTMENTS TO OTHER MATTERS</u></b>												
	N/A			1	14	N/A	Medi-Cal Overpayments		\$0			
8							To recover Medi-Cal overpayments for billing day of discharge and subsequent days. 42 CFR 433.139, 413.20 and 413.24 and 431.07 CMS Pub. 15-1, Sections 2205.1 and 2409 CCR, Title 22, Section 51458.1			\$218		
9							To recover Medi-Cal overpayments related to share of cost and due to insufficient documentation. 42 CFR 413.20, 413.24, and 431.107 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51476 W&I Code 14124.2(b)			9,824		
10							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			<u>4,395</u> \$14,437	\$14,437	