

**REPORT  
ON THE  
RATE SETTING AUDIT**

**NEWPORT NURSING CENTER  
NEWPORT BEACH, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1942204318**

**FISCAL PERIOD  
DECEMBER 31, 2011**

**Audits Section – Santa Ana  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Margaret A. Varho  
Audit Supervisor: Henry Igboke  
Auditor: Ted Ha**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: July 15, 2013

Lois Mastrocola, CFO  
Life Generations Healthcare  
20371 Irvine Avenue, Suite 210  
Newport Beach, CA 92660

PROVIDER: NEWPORT NURSING CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI) 1942204318  
FISCAL PERIOD ENDED DECEMBER 31, 2011

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

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

This audit report includes the:

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

Future Medi-Cal long-term care prospective rates may be affected by this examination. The extent to which the rates change will be determined by the Department's Rate Development Branch.

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.

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

Chief  
Office of Administrative Appeals and Hearings  
1029 J Street, Suite 200  
Sacramento, CA 95814-2825  
(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 95899-7413

**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 95814-5005  
(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—Santa Ana at (714) 558-4434.

**(Original signed by Margaret Varho)**

Margaret A. Varho, Chief  
Audits Section—Santa Ana  
Financial Audits Branch

Certified

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

Provider Name:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility No.:  
206301187

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	\$ 2,192,718	\$ 139.41
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 664,441	\$ 42.24
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 424,068	\$ 26.96
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 535,794	\$ 34.06
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 45,111	\$ 2.87
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 8,918	\$ 0.57
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 38,179	\$ 2.43
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 137,862	\$ 8.76
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 796,429	\$ 50.63
11	Cost of Routine Service/Audited Total Costs	\$ 5,004,281	\$ 4,843,521	\$ 307.94
12	Total Patient Days (Adj )	15,729	15,729	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 318.16	\$ 307.94	
14	Overpayments (Adj )	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 4)	1,753	0	
16	Medi-Cal Managed Care Days (Adj 5)		1,753	
<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:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility No.:  
206301187

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:**  
NEWPORT NURSING CENTER

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

**Provider NPI:**  
1942204318

**OSHPD Facility No.:**  
206301187

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs	Activities	Total
			155	160	
	<b>GENERAL SERVICES</b>				
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 90,053	\$ 90,053		
160	Activities	102,412		\$ 102,412	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
	<b>ANCILLARY SERVICES</b>				
075	Patient Supplies	0	0	0	0
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	678,629	0	0	678,629
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	474,492	0	0	474,492
083	Speech Pathology	48,363	0	0	48,363
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	2,000,253	90,053	102,412	2,192,718 *
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>\$ 3,394,202</b>	<b>\$ 90,053</b>	<b>\$ 102,412</b>	<b>\$ 3,394,202</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
NEWPORT NURSING CENTER

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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	\$ 43,992	\$ 43,992										
010	Housekeeping	122,812	105	\$ 122,917									
060	Laundry and Linen	60,016	238	789	\$ 61,043								
065	Dietary	331,075	6,836	0	0	\$ 337,911							
155	Social Services	N/A	270	896	0	0	\$ 1,166						
160	Activities	N/A	1,447	4,801	0	0	0	\$ 6,248					
165	Administration	N/A	2,983	9,895	0	0	0	0	\$ 12,878	\$ 12,878			
166	Medical Records	77,694	754	2,501	0	0	0	0	80,948		\$ 80,948		
170	Inservice Education - Nursing	81,408	302	1,003	0	0	0	0	\$ 82,713				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		77	254	0	0	0	0	0	331	106	668	\$ 1,105
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		1,258	4,172	0	0	0	0	0	5,430	1,919	12,060	19,408
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		1,927	6,392	0	0	0	0	0	8,319	1,167	7,338	16,824
083	Speech Pathology		629	2,086	0	0	0	0	0	2,715	142	893	3,750
085	Pharmacy		230	762	0	0	0	0	0	992	842	5,295	7,129
090	Laboratory		0	0	0	0	0	0	0	0	105	660	765
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	254	1,597	1,851
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		26,595	88,229	61,043	337,911	1,166	6,248	82,713	603,905	8,309	52,226	664,441 *
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		343	1,137	0	0	0	0	0	1,479	34	212	1,725
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 716,997</b>	<b>\$ 43,992</b>	<b>\$ 122,917</b>	<b>\$ 61,043</b>	<b>\$ 337,911</b>	<b>\$ 1,166</b>	<b>\$ 6,248</b>	<b>\$ 82,713</b>	<b>\$ 623,170</b>	<b>\$ 12,878</b>	<b>\$ 80,948</b>	<b>\$ 716,997</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
NEWPORT NURSING CENTER

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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	\$ 154,354	\$ 154,354										
010	Housekeeping	31,777	368	\$ 32,145									
060	Laundry and Linen	18,947	834	206	\$ 19,988								
065	Dietary	122,725	23,986	0	0	\$ 146,711							
155	Social Services	3,053	948	234	0	0	\$ 4,235						
160	Activities	15,019	5,077	1,255	0	0	0	\$ 21,352					
165	Administration	N/A	10,466	2,588	0	0	0	0		\$ 13,053	\$ 13,053		
166	Medical Records	28,241	2,645	654	0	0	0	0		31,540		\$ 31,540	
170	Inservice Education - Nursing	0	1,061	262	0	0	0	0	\$ 1,323				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	45,927	269	66	0	0	0	0	0	46,262	108	260	\$ 46,630
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	153,969	4,413	1,091	0	0	0	0	0	159,473	1,945	4,699	166,116
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	4,265	6,760	1,672	0	0	0	0	0	12,697	1,183	2,859	16,739
083	Speech Pathology	477	2,206	546	0	0	0	0	0	3,229	144	348	3,721
085	Pharmacy	373,267	806	199	0	0	0	0	0	374,272	854	2,063	377,189
090	Laboratory	47,202	0	0	0	0	0	0	0	47,202	106	257	47,565
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	114,228	0	0	0	0	0	0	0	114,228	257	622	115,108
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	85,302	93,314	23,073	19,988	146,711	4,235	21,352	1,323	395,298	8,422	20,349	424,068 *
110	Intermediate Care	0	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	0 *
120	Developmentally Disabled Care	0	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	0 *
130	Hospice Inpatient Care	0	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	0 *
<b>NONREIMBURSABLE</b>													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	6,962	1,202	297	0	0	0	0	0	8,461	34	83	8,578
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,205,715</b>	<b>\$ 154,354</b>	<b>\$ 32,145</b>	<b>\$ 19,988</b>	<b>\$ 146,711</b>	<b>\$ 4,235</b>	<b>\$ 21,352</b>	<b>\$ 1,323</b>	<b>\$ 1,161,122</b>	<b>\$ 13,053</b>	<b>\$ 31,540</b>	<b>\$ 1,205,715</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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
<b>GENERAL SERVICES</b>										
	Capital Related (excluding lines 40 & 45)	\$ 617,230	92%							
	Property Tax (line 40)	51,968	8%	\$ 669,198						
005	Plant Operations and Maintenance			23,145	\$ 23,145					
010	Housekeeping			1,539	55	\$ 1,594				
060	Laundry and Linen			3,492	125	10	\$ 3,628			
065	Dietary			100,394	3,597	0	0	\$ 103,991		
155	Social Services			3,966	142	12	0	0	\$ 4,120	
160	Activities			21,251	761	62	0	0	0	\$ 22,075
165	Administration			43,804	1,569	128	0	0	0	0
166	Medical Records			11,069	397	32	0	0	0	0
170	Inservice Education - Nursing			4,440	159	13	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			1,125	40	3	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			18,469	662	54	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			28,295	1,014	83	0	0	0	0
083	Speech Pathology			9,234	331	27	0	0	0	0
085	Pharmacy			3,374	121	10	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			390,568	13,992	1,144	3,628	103,991	4,120	22,075
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			5,032	180	15	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 669,198</b>	<b>100%</b>	<b>\$ 669,198</b>	<b>\$ 23,145</b>	<b>\$ 1,594</b>	<b>\$ 3,628</b>	<b>\$ 103,991</b>	<b>\$ 4,120</b>	<b>\$ 22,075</b>

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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 92% Of Total	Property Tax 8% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 617,230	92%							
	Property Tax (line 40)	51,968	8%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 45,502	\$ 45,502				
166	Medical Records				11,498		\$ 11,498			
170	Inservice Education - Nursing			\$ 4,612						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	1,168	375	95	\$ 1,638	\$ 1,511	\$ 127
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	19,185	6,779	1,713	27,677	25,527	2,149
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	29,392	4,125	1,042	34,559	31,875	2,684
083	Speech Pathology			0	9,592	502	127	10,221	9,428	794
085	Pharmacy			0	3,505	2,976	752	7,233	6,672	562
090	Laboratory			0	0	371	94	465	429	36
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	898	227	1,124	1,037	87
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			4,612	544,129	29,357	7,419	580,905	535,794	45,111
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	5,227	119	30	5,376	4,958	417
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 669,198	100%	\$ 4,612	\$ 612,198	\$ 45,502	\$ 11,498	\$ 669,198	\$ 617,230	\$ 51,968

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
NEWPORT NURSING CENTER

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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. 81% of Total	DPH Licensing Fees 1% of Total	Professional Liability Ins. 4% of Total	Quality Assur. Fees 14% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 13,120												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	1,221,306												
	Total Costs Allocable as Administration	1,234,426	81%											
167	CDPH Licensing Fees	13,823	1%											
168	Professional Liability Insurance	59,175	4%											
169	Quality Assurance Fees	213,680	14%											
174	Caregiver Training	0	0%											
	Total	1,521,104	100%						\$ 1,521,104					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 331	\$ 46,262	\$ 1,168	\$ 47,761	12,546	\$ 10,181	\$ 114	\$ 488	\$ 1,762	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			678,629	5,430	159,473	19,185	862,716	226,619	183,909	2,059	8,816	31,835	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			474,492	8,319	12,697	29,392	524,899	137,881	111,895	1,253	5,364	19,369	0
083	Speech Pathology			48,363	2,715	3,229	9,592	63,899	16,785	13,622	153	653	2,358	0
085	Pharmacy			0	992	374,272	3,505	378,769	99,495	80,744	904	3,871	13,977	0
090	Laboratory			0	0	47,202	0	47,202	12,399	10,062	113	482	1,742	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	114,228	0	114,228	30,006	24,350	273	1,167	4,215	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			2,192,718	603,905	395,298	544,129	3,736,050	981,389	796,429	8,918	38,179	137,862	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	1,479	8,461	5,227	15,167	3,984	3,233	36	155	560	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 1,521,104		\$ 3,394,202	\$ 623,170	\$ 1,161,122	\$ 612,198	\$ 5,790,692	\$ 1,521,104					
	Total Administrative Costs							\$ 1,521,104		\$ 1,234,426	\$ 13,823	\$ 59,175	\$ 213,680	\$ -
	Unit Cost Multiplier							0.26268086						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 93,827	\$ 44,593	\$ 57,000	\$ 195,420							
	<b>TOTAL FACILITY COSTS</b>							\$ 7,507,216						

\* (To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
NEWPORT NURSING CENTER

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 3)	Plant Ops (SQ FT) 5 (Adj 3)	Hskpng (SQ FT) 10 (Adj 3)	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	391									
010	Housekeeping	26	26								
060	Laundry and Linen	59	59	59							
065	Dietary	1,696	1,696								
155	Social Services	67	67	67							
160	Activities	359	359	359							
165	Administration	740	740	740							
166	Medical Records	187	187	187							
170	Inservice Education - Nursing	75	75	75							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	19	19	19						47,761	47,761
077	Specialized Support Surfaces									0	0
080	Physical Therapy	312	312	312						862,716	862,716
081	Respiratory Therapy									0	0
082	Occupational Therapy	478	478	478						524,899	524,899
083	Speech Pathology	156	156	156						63,899	63,899
085	Pharmacy	57	57	57						378,769	378,769
090	Laboratory									47,202	47,202
095	Home Health Services									0	0
100	Other Ancillary Services									114,228	114,228
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	6,598	6,598	6,598	156,230	46,869	2,085,555	2,085,555	2,085,555	3,736,050	3,736,050
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	85	85	85						15,167	15,167
145	Other Nonreimbursable									0	0
	<b>TOTAL STATISTICS</b>	11,305	10,914	9,192	156,230	46,869	2,085,555	2,085,555	2,085,555	5,790,692	5,790,692
	<b>TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)</b>						\$ 90,053 0.043179393	\$ 102,412 0.049105394			
	<b>TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)</b>		\$ 43,992 4.03078615	\$ 122,917 13.37214974	\$ 61,043 0.39072376	\$ 337,911 7.20969539	\$ 1,166 0.00055908	\$ 6,248 0.00299568	\$ 82,713 0.03966005	\$ 12,878 0.00222394	\$ 80,948 0.01397905
	<b>TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)</b>		\$ 154,354 14.14275243	\$ 32,145 3.49703128	\$ 19,988 0.12793796	\$ 146,711 3.13023764	\$ 4,235 0.00203057	\$ 21,352 0.01023789	\$ 1,323 0.00063436	\$ 13,053 0.00225421	\$ 31,540 0.00544661
	<b>TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)</b>	\$ 669,198 59.19486953	\$ 23,145 2.12068847	\$ 1,594 0.17343391	\$ 3,628 0.02322122	\$ 103,991 2.21876264	\$ 4,120 0.00197538	\$ 22,075 0.01058450	\$ 4,612 0.00221125	\$ 45,502 0.00785776	\$ 11,498 0.00198568

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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	\$ 34,980	\$ 0	\$ 34,980	(Sch 3)
005	.20-.39	Fringe Benefits	6200	9,012	0	9,012	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	154,354	0	154,354	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 198,346	\$ 0	\$ 198,346	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 96,886	\$ 0	\$ 96,886	(Sch 3)
010	.20-.39	Fringe Benefits	6300	25,926	0	25,926	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	31,777	0	31,777	(Sch 4)
010		Housekeeping - Total	6300	\$ 154,589	\$ 0	\$ 154,589	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 143	\$ 0	\$ 143	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	243,398	0	243,398	(Sch 5)
025		Depreciation: Equipment	7140	38,622	0	38,622	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	335,067	0	335,067	(Sch 5)
040		Property Taxes	7300	51,968	0	51,968	(Sch 5)
045		Property Insurance	7400	13,120	0	13,120	(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>		\$ 1,035,253	\$ 0	\$ 1,035,253	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 47,000	\$ 0	\$ 47,000	(Sch 3)
060	.20-.39	Fringe Benefits	6400	13,016	0	13,016	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	18,947	0	18,947	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 78,963	\$ 0	\$ 78,963	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 262,807	\$ 0	\$ 262,807	(Sch 3)
065	.20-.39	Fringe Benefits	6500	68,268	0	68,268	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	122,725	0	122,725	(Sch 4)
065		Dietary - Total	6500	\$ 453,800	\$ 0	\$ 453,800	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		<b>Ancillary Services</b>					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	45,927	0	45,927	(Sch 4)
075		Patient Supplies - Total	8100	\$ 45,927	\$ 0	\$ 45,927	
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:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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	\$ 5,979	\$ 0	\$ 5,979	(Sch 2)
080	.20-.39	Fringe Benefits	8200	1,517	0	1,517	(Sch 2)
080	.79	Agency Staff	8200	671,133	0	671,133	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	153,969	0	153,969	(Sch 4)
080		Physical Therapy - Total	8200	\$ 832,598	\$ 0	\$ 832,598	
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	\$ 2,926	\$ 0	\$ 2,926	(Sch 2)
082	.20-.39	Fringe Benefits	8250	792	0	792	(Sch 2)
082	.79	Agency Staff	8250	470,774	0	470,774	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	4,265	0	4,265	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 478,757	\$ 0	\$ 478,757	
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	48,363	0	48,363	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	477	0	477	(Sch 4)
083		Speech Pathology - Total	8280	\$ 48,840	\$ 0	\$ 48,840	
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	373,267	0	373,267	(Sch 4)
085		Pharmacy - Total	8300	\$ 373,267	\$ 0	\$ 373,267	
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	47,202	0	47,202	(Sch 4)
090		Laboratory - Total	8400	\$ 47,202	\$ 0	\$ 47,202	
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	68,174	46,054	114,228	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 68,174	\$ 46,054	\$ 114,228	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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		\$ 1,894,765	\$ 46,054	\$ 1,940,819	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,589,177	\$ 0	\$ 1,589,177	(Sch 2)
105	.20-.39	Fringe Benefits	6110	411,076	0	411,076	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	85,302	0	85,302	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 2,085,555	\$ 0	\$ 2,085,555	
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:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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	6,962	0	6,962 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 6,962	\$ 0	\$ 6,962
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>		\$ 2,092,517	\$ 0	\$ 2,092,517
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 70,737	\$ 0	\$ 70,737 (Sch 2)
155	.20-.39	Fringe Benefits	6600	19,316	0	19,316 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	49,107	(46,054)	3,053 (Sch 4)
155		Social Services - Total	6600	\$ 139,160	\$ (46,054)	\$ 93,106

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
NEWPORT NURSING CENTER

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

Provider NPI:  
1942204318

OSHPD Facility Number:  
206301187

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	\$ 80,846	\$ 0	\$ 80,846	(Sch 2)
160	.20-.39	Fringe Benefits	6700	21,566	0	21,566	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	15,019	0	15,019	(Sch 4)
160		Activities - Total	6700	\$ 117,431	\$ 0	\$ 117,431	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 297,812	\$ 0	\$ 297,812	(Sch 6)
165	.20-.39	Fringe Benefits	6900	77,795	0	77,795	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	970,893	(125,194)	845,699	(Sch 6)
165		Administration - Total	6900	\$ 1,346,500	\$ (125,194)	\$ 1,221,306	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 61,602	\$ 0	\$ 61,602	(Sch 3)
166	.20-.39	Fringe Benefits	6900	16,092	0	16,092	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	28,241	0	28,241	(Sch 4)
166		Medical Records - Total	6900	\$ 105,935	\$ 0	\$ 105,935	
167		CDPH Licensing Fees	6900	\$ 13,823	\$ 0	\$ 13,823	(Sch 6)
168		Professional Liability Insurance	6900	\$ 59,175	\$ 0	\$ 59,175	(Sch 6)
169		Quality Assurance Fees	6900	\$ 213,680	\$ 0	\$ 213,680	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 64,760	\$ 0	\$ 64,760	(Sch 3)
170	.20-.39	Fringe Benefits	6800	16,648	0	16,648	(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	\$ 81,408	\$ 0	\$ 81,408	
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>		\$ 2,077,112	\$ (171,248)	\$ 1,905,864	
200		<b>Total</b>		\$ 7,632,410	\$ (125,194)	\$ 7,507,216	

210	0.24	Total Facility Group Health Insurance * (Adj 6)	6900			\$ 136,473	
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\* For informational purposes only, this amount is included in various cost centers above.









Provider Name							Fiscal Period		Provider NPI		Adjustments
NEWPORT NURSING CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1942204318		6
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>RECLASSIFICATION OF REPORTED COSTS</u></b>											
1	10.5	100	4	8A-1	100	4	Other Ancillary Services - Other - Nonlabo	\$68,174	\$46,054	\$114,228	
	10.5	155	4	8A-1	155	4	Social Services - Other - Nonlabo	49,107	(46,054)	3,053	
							To reclassify patient transportation cost to the appropriate cost center 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2203.2, 2300, 2302.4 and 2302.4				

Provider Name							Fiscal Period		Provider NPI		Adjustments
NEWPORT NURSING CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1942204318		6
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 COSTS</u></b>											
2	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To adjust reported home office costs to agree with the Life Generations Healthcare Home Office Audit Report for fiscal period ended December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	\$970,893	(\$125,194)	\$845,699	

Provider Name							Fiscal Period		Provider NPI		Adjustments
NEWPORT NURSING CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1942204318		6
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>											
3	10.7	082	1,2,3	7	082	N/A	Occupational Therapy (Square Feet)	312	166	478	
	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care	6,696	(98)	6,598	
	10.7	160	1,2,3	7	160	N/A	Activities	624	(265)	359	
	10.7	165	1,2,3	7	165	N/A	Administration	1,064	(324)	740	
	10.7	166	1,2,3	7	166	N/A	Medical Records	241	(54)	187	
	10.7	170	1,2,3	7	170	N/A	Inservice Education - Nursing	277	(202)	75	
	10.7	175	1	7	N/A	N/A	Total - Square Feet	12,082	(777)	11,305	
	10.7	175	2	7	N/A	N/A	Total - Square Feet	11,691	(777)	10,914	
	10.7	175	3	7	N/A	N/A	Total - Square Feet	9,969	(777)	9,192	
							To adjust square footage statistics to agree with the provider's records in order to properly allocate indirect costs. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306				

Provider Name							Fiscal Period	Provider NPI	Adjustments		
NEWPORT NURSING CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1942204318	6		
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 REPORTED MEDI-CAL SETTLEMENT DATA</u></b>											
4	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 December 31, 2012 Report Date: January 17, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541	1,753	(1,753)	0	
5	Not Reported			1	16	N/A	Medi-Cal Managed Care Days To adjust Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	1,753	1,753	

Provider Name							Fiscal Period			Provider NPI		Adjustments
NEWPORT NURSING CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1942204318		6
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>ADJUSTMENT TO OTHER MATTERS</u>												
6	Not Reported			8A-1	210	N/A	Facility Group Health Insurance To identify Group Health Insurance in the audit for informational purposes only. 42 CFR 413.20 AND 413.24 / CMS Pub. 15-1, Section 2300 and 2304			\$0	\$136,473	\$136,473