

**REPORT  
ON THE  
RATE SETTING AUDIT**

**PACIFIC PALMS HEALTHCARE  
LONG BEACH, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1972719037**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

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

**Section Chief: Maria Delgado  
Audit Supervisor: Deborah Lee  
Auditor: Angela Guan**



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



EDMUND G. BROWN JR.  
GOVERNOR

May 31, 2013

John Farag, Administrator  
Pacific Palms Healthcare  
1020 Termino Avenue  
Long Beach, CA 90804

PACIFIC PALMS HEALTHCARE  
NATIONAL PROVIDER IDENTIFIER (NPI): 1972719037  
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
3. Audited Allocation of Home Office Cost

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.

John Farag  
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If you disagree with the decision of the Department, you may appeal by writing to:

Chief  
Department of Health Care Services  
Office of Administrative Hearings and Appeals  
1029 J Street, Suite 200  
Sacramento, CA 95814  
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

**United States Postal Service (USPS)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
PO Box 997413  
Sacramento, CA 95899

**Courier (UPS, FedEx, etc.)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814  
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Gardena at (310) 516-4757.

**Original Signed By:**

Maria Delgado, Chief  
Audits Section—Gardena  
Financial Audits Branch

Certified

cc: Gloria A. Fonacier, Controller  
Unified Care Services  
2368 Torrance Boulevard  
Torrance, CA 90501

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

Provider Name:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility No.:  
206190279

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	\$ 2,831,475	\$ 85.21
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 840,640	\$ 25.30
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 662,047	\$ 19.92
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 246,369	\$ 7.41
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 73,400	\$ 2.21
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 26,713	\$ 0.80
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 220,111	\$ 6.62
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 377,675	\$ 11.37
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 756,056	\$ 22.75
11	Cost of Routine Service/Audited Total Costs	\$ 6,099,832.00	\$ 6,034,487	\$ 181.61
12	Total Patient Days (Adj )	33,228	33,228	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 183.58	\$ 181.61	
14	Overpayments (Adj )	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 11)	22,277	22,130	
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:**  
PACIFIC PALMS HEALTHCARE

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

**Provider NPI:**  
1972719037

**OSHPD Facility No.:**  
206190279

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:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility No.:  
206190279

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	\$ 83,026	\$ 83,026		
160	Activities	151,573		\$ 151,573	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
<b>ANCILLARY SERVICES</b>					
075	Patient Supplies	0	0	0	0
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	0	0	0	0
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	0	0	0	0
083	Speech Pathology	0	0	0	0
085	Pharmacy	0	0	0	0
090	Laboratory	0	0	0	0
095	Home Health Services	0	0	0	0
100	Other Ancillary Services	0	0	0	0
101	Subacute Care Ancillary Services	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0
<b>ROUTINE SERVICES</b>					
105	Skilled Nursing Care	2,596,876	83,026	151,573	2,831,475 *
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>\$ 2,831,475</b>	<b>\$ 83,026</b>	<b>\$ 151,573</b>	<b>\$ 2,831,475</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
PACIFIC PALMS HEALTHCARE

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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	\$ 63,094	\$ 63,094										
010	Housekeeping	185,871	354	\$ 186,225									
060	Laundry and Linen	93,688	6,505	19,309	\$ 119,502								
065	Dietary	310,317	8,201	24,343	0	\$ 342,861							
155	Social Services	N/A	84	250	0	0	\$ 335						
160	Activities	N/A	571	1,695	0	0	0	\$ 2,266					
165	Administration	N/A	3,811	11,311	0	0	0	0	\$ 15,122	\$ 15,122			
166	Medical Records	97,354	1,049	3,114	0	0	0	0	101,517		\$ 101,517		
170	Inservice Education - Nursing	118,226	174	518	0	0	0	0	\$ 118,918				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		470	1,394	0	0	0	0	0	1,864	56	375	\$ 2,295
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	48	324	372
080	Physical Therapy		1,207	3,581	0	0	0	0	0	4,788	792	5,313	10,893
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		456	1,352	0	0	0	0	0	1,808	682	4,580	7,070
083	Speech Pathology		0	0	0	0	0	0	0	0	146	977	1,122
085	Pharmacy		0	0	0	0	0	0	0	0	606	4,070	4,677
090	Laboratory		0	0	0	0	0	0	0	0	67	447	513
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	66	446	512
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		40,105	119,041	119,502	342,861	335	2,266	118,918	743,027	12,656	84,957	840,640
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		107	317	0	0	0	0	0	424	4	27	455
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 868,550</b>	<b>\$ 63,094</b>	<b>\$ 186,225</b>	<b>\$ 119,502</b>	<b>\$ 342,861</b>	<b>\$ 335</b>	<b>\$ 2,266</b>	<b>\$ 118,918</b>	<b>\$ 751,911</b>	<b>\$ 15,122</b>	<b>\$ 101,517</b>	<b>\$ 868,550</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
PACIFIC PALMS HEALTHCARE

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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	\$ 220,075	\$ 220,075										
010	Housekeeping	33,454	1,236	\$ 34,690									
060	Laundry and Linen	14,982	22,690	3,597	\$ 41,269								
065	Dietary	206,433	28,606	4,535	0	\$ 239,573							
155	Social Services	8,042	294	47	0	0	\$ 8,383						
160	Activities	8,351	1,991	316	0	0	0	\$ 10,658					
165	Administration	N/A	13,292	2,107	0	0	0	0		\$ 15,399	\$ 15,399		
166	Medical Records	17,215	3,659	580	0	0	0	0		21,454		\$ 21,454	
170	Inservice Education - Nursing	1,225	608	96	0	0	0	0	\$ 1,930				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	13,624	1,638	260	0	0	0	0	0	15,522	57	79	\$ 15,658
077	Specialized Support Surfaces	17,164	0	0	0	0	0	0	0	17,164	49	68	17,282
080	Physical Therapy	265,548	4,208	667	0	0	0	0	0	270,424	806	1,123	272,353
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	236,705	1,589	252	0	0	0	0	0	238,546	695	968	240,209
083	Speech Pathology	51,790	0	0	0	0	0	0	0	51,790	148	206	52,145
085	Pharmacy	215,778	0	0	0	0	0	0	0	215,778	617	860	217,256
090	Laboratory	23,691	0	0	0	0	0	0	0	23,691	68	94	23,853
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	23,618	0	0	0	0	0	0	0	23,618	68	94	23,780
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	167,328	139,889	22,175	41,269	239,573	8,383	10,658	1,930	631,205	12,888	17,955	662,047
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0
125	Subacute Care	0	0	0	0	0	0	0	0	0	0	0	0
126	Subacute Care - Pediatric	0	0	0	0	0	0	0	0	0	0	0	0
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0
<b>NONREIMBURSABLE</b>													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	0	373	59	0	0	0	0	0	432	4	6	442
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,525,023</b>	<b>\$ 220,075</b>	<b>\$ 34,690</b>	<b>\$ 41,269</b>	<b>\$ 239,573</b>	<b>\$ 8,383</b>	<b>\$ 10,658</b>	<b>\$ 1,930</b>	<b>\$ 1,488,169</b>	<b>\$ 15,399</b>	<b>\$ 21,454</b>	<b>\$ 1,525,023</b>

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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)	\$ 258,877	77%							
	Property Tax (line 40)	77,127	23%	\$ 336,004						
005	Plant Operations and Maintenance			10,294	\$ 10,294					
010	Housekeeping			1,829	58	\$ 1,887				
060	Laundry and Linen			33,582	1,061	196	\$ 34,838			
065	Dietary			42,336	1,338	247	0	\$ 43,921		
155	Social Services			436	14	3	0	0	\$ 452	
160	Activities			2,947	93	17	0	0	0	\$ 3,058
165	Administration			19,673	622	115	0	0	0	0
166	Medical Records			5,415	171	32	0	0	0	0
170	Inservice Education - Nursing			900	28	5	0	0	0	0
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			2,425	77	14	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			6,228	197	36	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			2,352	74	14	0	0	0	0
083	Speech Pathology			0	0	0	0	0	0	0
085	Pharmacy			0	0	0	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
	<b>ROUTINE SERVICES</b>									
105	Skilled Nursing Care			207,035	6,543	1,206	34,838	43,921	452	3,058
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			552	17	3	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 336,004	100%	\$ 336,004	\$ 10,294	\$ 1,887	\$ 34,838	\$ 43,921	\$ 452	\$ 3,058

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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 77% Of Total	Property Tax 23% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 258,877	77%							
	Property Tax (line 40)	77,127	23%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 20,409	\$ 20,409				
166	Medical Records				5,618		\$ 5,618			
170	Inservice Education - Nursing			\$ 934						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	2,515	75	21	\$ 2,612	\$ 2,012	\$ 599
077	Specialized Support Surfaces			0	0	65	18	83	64	19
080	Physical Therapy			0	6,462	1,068	294	7,824	6,028	1,796
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	2,440	921	253	3,614	2,785	830
083	Speech Pathology			0	0	196	54	250	193	57
085	Pharmacy			0	0	818	225	1,044	804	240
090	Laboratory			0	0	90	25	115	88	26
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	90	25	114	88	26
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			934	297,987	17,080	4,702	319,769	246,369	73,400 *
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	572	5	1	579	446	133
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 336,004	100%	\$ 934	\$ 309,977	\$ 20,409	\$ 5,618	\$ 336,004	\$ 258,877	\$ 77,127

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
PACIFIC PALMS HEALTHCARE

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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. 55% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 16% of Total	Quality Assur. Fees 27% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 16,721												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	886,702												
	Total Costs Allocable as Administration	903,423	55%											
167	CDPH Licensing Fees	31,920	2%											
168	Professional Liability Insurance	263,014	16%											
169	Quality Assurance Fees	451,290	27%											
174	Caregiver Training	0	0%											
	Total	1,649,647	100%						\$ 1,649,647					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 1,864	\$ 15,522	\$ 2,515	\$ 19,901	6,100	\$ 3,341	\$ 118	\$ 973	\$ 1,669	\$ -
077	Specialized Support Surfaces			0	0	17,164	0	17,164	5,261	2,881	102	839	1,439	0
080	Physical Therapy			0	4,788	270,424	6,462	281,673	86,344	47,286	1,671	13,766	23,621	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	1,808	238,546	2,440	242,794	74,426	40,759	1,440	11,866	20,360	0
083	Speech Pathology			0	0	51,790	0	51,790	15,876	8,694	307	2,531	4,343	0
085	Pharmacy			0	0	215,778	0	215,778	66,144	36,224	1,280	10,546	18,095	0
090	Laboratory			0	0	23,691	0	23,691	7,262	3,977	141	1,158	1,987	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	23,618	0	23,618	7,240	3,965	140	1,154	1,981	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			2,831,475	743,027	631,205	297,987	4,503,695	1,380,556	756,056	26,713	220,111	377,675	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	424	432	572	1,428	438	240	8	70	120	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 1,649,647		\$ 2,831,475	\$ 743,027	\$ 1,488,169	\$ 309,977	\$ 5,381,532	\$ 1,649,647					
	Total Administrative Costs							\$ 1,649,647		\$ 903,423	\$ 31,920	\$ 263,014	\$ 451,290	\$ -
	Unit Cost Multiplier							0.30653854						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 116,639	\$ 36,854	\$ 26,027	\$ 179,520							
	<b>TOTAL FACILITY COSTS</b>							\$ 7,210,699						

(To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:  
PACIFIC PALMS HEALTHCARE

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS	Plant Ops (SQ FT) 5	Hskpng (SQ FT) 10	Laundry (LBS) 60	Dietary (MEALS) 65	Soc Srvs (DIRECT EXP) 155	Activities (DIRECT EXP) 160	Inserv. Ed (DIRECT EXP) 170	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
		(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )		
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	709									
010	Housekeeping	126	126								
060	Laundry and Linen	2,313	2,313	2,313							
065	Dietary	2,916	2,916	2,916							
155	Social Services	30	30	30							
160	Activities	203	203	203							
165	Administration	1,355	1,355	1,355							
166	Medical Records	373	373	373							
170	Inservice Education - Nursing	62	62	62							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	167	167	167						19,901	19,901
077	Specialized Support Surfaces									17,164	17,164
080	Physical Therapy	429	429	429						281,673	281,673
081	Respiratory Therapy									0	0
082	Occupational Therapy	162	162	162						242,794	242,794
083	Speech Pathology									51,790	51,790
085	Pharmacy									215,778	215,778
090	Laboratory									23,691	23,691
095	Home Health Services									0	0
100	Other Ancillary Services									23,618	23,618
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	14,260	14,260	14,260	164,145	98,487	2,764,204	2,764,204	2,764,204	4,503,695	4,503,695
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	38	38	38						1,428	1,428
145	Other Nonreimbursable									0	0
	<b>TOTAL STATISTICS</b>	23,143	22,434	22,308	164,145	98,487	2,764,204	2,764,204	2,764,204	5,381,532	5,381,532
	TOTAL DIRECT SALARIES COSTS - SCH. 2						\$ 83,026	\$ 151,573			
	UNIT COST MULTIPLIER (DIRECT SALARIES)						0.030036133	0.054834231			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3		\$ 63,094	\$ 186,225	\$ 119,502	\$ 342,861	\$ 335	\$ 2,266	\$ 118,918	\$ 15,122	\$ 101,517
	UNIT COST MULTIPLIER (INDIRECT SALARIES)		2.81242757	8.34791850	0.72802632	3.48127742	0.00012112	0.00081960	0.04302068	0.00281003	0.01886392
	TOTAL INDIRECT OTHER COSTS - SCH. 4		\$ 220,075	\$ 34,690	\$ 41,269	\$ 239,573	\$ 8,383	\$ 10,658	\$ 1,930	\$ 15,399	\$ 21,454
	UNIT COST MULTIPLIER (INDIRECT OTHER)		9.80988678	1.55504957	0.25141855	2.43253581	0.00303268	0.00385575	0.00069808	0.00286154	0.00398662
	TOTAL CAPITAL COSTS - SCH. 5	\$ 336,004	\$ 10,294	\$ 1,887	\$ 34,838	\$ 43,921	\$ 452	\$ 3,058	\$ 934	\$ 20,409	\$ 5,618
	UNIT COST MULTIPLIER (CAPITAL COSTS)	14.51860174	0.45884321	0.08459557	0.21224222	0.44595642	0.00016347	0.00110614	0.00033784	0.00379243	0.00104397

## SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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	\$ 59,281	\$ (8,983)	\$ 50,298	(Sch 3)
005	.20-.39	Fringe Benefits	6200	14,410	(1,614)	12,796	(Sch 3)
005	.79	Agency Staff	6200	0	0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	220,075	0	220,075	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 293,766	\$ (10,597)	\$ 283,169	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 145,667	\$ 0	\$ 145,667	(Sch 3)
010	.20-.39	Fringe Benefits	6300	40,204	0	40,204	(Sch 3)
010	.79	Agency Staff	6300	0	0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	33,454	0	33,454	(Sch 4)
010		Housekeeping - Total	6300	\$ 219,325	\$ 0	\$ 219,325	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 90,322	\$ 0	\$ 90,322	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	13,599	0	13,599	(Sch 5)
025		Depreciation: Equipment	7140	20,318	0	20,318	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	0	0	0	(Sch 5)
035		Leases and Rentals	7200	8,640	18,838	27,478	(Sch 5)
040		Property Taxes	7300	114,059	(36,932)	77,127	(Sch 5)
045		Property Insurance	7400	16,721	0	16,721	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500	107,160	0	107,160	(Sch 5)
055		Interest - Other	7600	\$ 0	\$ 0	\$ 0	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 883,910	\$ (28,691)	\$ 855,219	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 73,729	\$ 0	\$ 73,729	(Sch 3)
060	.20-.39	Fringe Benefits	6400	19,959	0	19,959	(Sch 3)
060	.79	Agency Staff	6400	0	0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	14,982	0	14,982	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 108,670	\$ 0	\$ 108,670	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 245,423	\$ 0	\$ 245,423	(Sch 3)
065	.20-.39	Fringe Benefits	6500	64,894	0	64,894	(Sch 3)
065	.79	Agency Staff	6500	0	0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	206,433	0	206,433	(Sch 4)
065		Dietary - Total	6500	\$ 516,750	\$ 0	\$ 516,750	
070		Provision for Bad Debts	7700	\$ 0	0	\$ 0	
		<b>Ancillary Services</b>					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$ 0	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100	0	0	0	(Sch 2)
075	.79	Agency Staff	8100	0	0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	12,494	1,130	13,624	(Sch 4)
075		Patient Supplies - Total	8100	\$ 12,494	\$ 1,130	\$ 13,624	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	\$ 0	\$ 0	\$ 0	N/A
077	.20-.39	Fringe Benefits	8150	0	0	0	N/A
077	.79	Agency Staff	8150	0	0	0	N/A
077	.40-.99	Other - Nonlabor	8150	17,164	0	17,164	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 17,164	\$ 0	\$ 17,164	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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	\$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200	0	0	0	(Sch 2)
080	.79	Agency Staff	8200	0	0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	261,829	3,719	265,548	(Sch 4)
080		Physical Therapy - Total	8200	\$ 261,829	\$ 3,719	\$ 265,548	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	\$ 0	\$ 0	\$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220	0	0	0	(Sch 2)
081	.79	Agency Staff	8220	0	0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220	0	0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 0	\$ 0	\$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$ 0	\$ 0	\$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250	0	0	0	(Sch 2)
082	.79	Agency Staff	8250	0	0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	236,705	0	236,705	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 236,705	\$ 0	\$ 236,705	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$ 0	\$ 0	\$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280	0	0	0	(Sch 2)
083	.79	Agency Staff	8280	0	0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	51,790	0	51,790	(Sch 4)
083		Speech Pathology - Total	8280	\$ 51,790	\$ 0	\$ 51,790	
085		Pharmacy					
085	.01-.19	Salaries and Wages	8300	\$ 0	\$ 0	\$ 0	(Sch 2)
085	.20-.39	Fringe Benefits	8300	0	0	0	(Sch 2)
085	.79	Agency Staff	8300	0	0	0	(Sch 2)
085	.40-.99	Other - Nonlabor	8300	215,778	0	215,778	(Sch 4)
085		Pharmacy - Total	8300	\$ 215,778	\$ 0	\$ 215,778	
090		Laboratory					
090	.01-.19	Salaries and Wages	8400	\$ 0	\$ 0	\$ 0	(Sch 2)
090	.20-.39	Fringe Benefits	8400	0	0	0	(Sch 2)
090	.79	Agency Staff	8400	0	0	0	(Sch 2)
090	.40-.99	Other - Nonlabor	8400	23,691	0	23,691	(Sch 4)
090		Laboratory - Total	8400	\$ 23,691	\$ 0	\$ 23,691	
095		Home Health Services					
095	.01-.19	Salaries and Wages	8800	\$ 0	\$ 0	\$ 0	(Sch 2)
095	.20-.39	Fringe Benefits	8800	0	0	0	(Sch 2)
095	.79	Agency Staff	8800	0	0	0	(Sch 2)
095	.40-.99	Other - Nonlabor	8800	0	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	\$ 0	(Sch 2)
100	.20-.39	Fringe Benefits	8900	0	0	0	(Sch 2)
100	.79	Agency Staff	8900	0	0	0	(Sch 2)
100	.40-.99	Other - Nonlabor	8900	23,618	0	23,618	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 23,618	\$ 0	\$ 23,618	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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	\$ 0	(Sch 2)
101	.20-.39	Fringe Benefits	8100-8900	0	0	0	(Sch 2)
101	.79	Agency Staff	8100-8900	0	0	0	(Sch 2)
101	.40-.99	Other - Nonlabor	8100-8900	0	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	\$ 0	(Sch 2)
102	.20-.39	Fringe Benefits	8100-8900	0	0	0	(Sch 2)
102	.79	Agency Staff	8100-8900	0	0	0	(Sch 2)
102	.40-.99	Other - Nonlabor	8100-8900	0	0	0	(Sch 4)
102		Subacute Care - Pediatric Ancillary Services - Total	8100-8900	\$ 0	\$ 0	\$ 0	
104		Subtotal 075 - 102		\$ 843,069	\$ 4,849	\$ 847,918	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,123,163	\$ (43,651)	\$ 2,079,512	(Sch 2)
105	.20-.39	Fringe Benefits	6110	525,924	(8,560)	517,364	(Sch 2)
105	.49	Agency Staff	6110	0	0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	172,177	(4,849)	167,328	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 2,821,264	\$ (57,060)	\$ 2,764,204	
110		Intermediate Care					
110	.01-.19	Salaries and Wages	6120	\$ 0	\$ 0	\$ 0	
110	.20-.39	Fringe Benefits	6120	0	0	0	
110	.49	Agency Staff	6120	0	0	0	
110	.40-.99	Other - Nonlabor	6120	0	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	\$ 0	
115	.20-.39	Fringe Benefits	6130	0	0	0	
115	.49	Agency Staff	6130	0	0	0	
115	.40-.99	Other - Nonlabor	6130	0	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	\$ 0	
120	.20-.39	Fringe Benefits	6140	0	0	0	
120	.49	Agency Staff	6140	0	0	0	
120	.40-.99	Other - Nonlabor	6140	0	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:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
128		Transitional Inpatient Care					
128	.01-.19	Salaries and Wages	6170	\$	\$ 0	\$ 0	
128	.20-.39	Fringe Benefits	6170		0	0	
128	.49	Agency Staff	6170		0	0	
128	.40-.99	Other - Nonlabor	6170		0	0	
128		Transitional Inpatient Care - Total	6170	\$ 0	\$ 0	\$ 0	(Sch 2)
130		Hospice Inpatient Care					
130	.01-.19	Salaries and Wages	6180	\$	\$ 0	\$ 0	
130	.20-.39	Fringe Benefits	6180		0	0	
130	.49	Agency Staff	6180		0	0	
130	.40-.99	Other - Nonlabor	6180		0	0	
130		Hospice Inpatient Care - Total	6180	\$ 0	\$ 0	\$ 0	(Sch 2)
135		Other Routine Services					
135	.01-.19	Salaries and Wages	6190	\$	\$ 0	\$ 0	
135	.20-.39	Fringe Benefits	6190		0	0	
135	.49	Agency Staff	6190		0	0	
135	.40-.99	Other - Nonlabor	6190		0	0	
135		Other Routine Services - Total	6190	\$ 0	\$ 0	\$ 0	(Sch 2)
		<b>Other Nonreimbursable</b>					
139		Residential Care					
139	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0	(Sch 2)
139	.20-.39	Fringe Benefits	9100		0	0	(Sch 2)
139	.49	Agency Staff	9100		0	0	(Sch 2)
139	.40-.99	Other - Nonlabor	9100		0	0	(Sch 4)
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0	
140		Beauty and Barber					
140	.01-.19	Salaries and Wages	8900	\$	\$ 0	\$ 0	(Sch 2)
140	.20-.39	Fringe Benefits	8900		0	0	(Sch 2)
140	.49	Agency Staff	8900		0	0	(Sch 2)
140	.40-.99	Other - Nonlabor	8900		0	0	(Sch 4)
140		Beauty and Barber - Total	8900	\$ 0	\$ 0	\$ 0	
145		Other Nonreimbursable					
145	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0	(Sch 2)
145	.20-.39	Fringe Benefits	9100		0	0	(Sch 2)
145	.49	Agency Staff	9100		0	0	(Sch 2)
145	.40-.99	Other - Nonlabor	9100		0	0	(Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0	
146		<b>Subtotal 105 - 145</b>		\$ 2,821,264	\$ (57,060)	\$ 2,764,204	
155		Social Services					
155	.01-.19	Salaries and Wages	6600	\$ 72,887	\$ (5,460)	\$ 67,427	(Sch 2)
155	.20-.39	Fringe Benefits	6600	16,580	(981)	15,599	(Sch 2)
155	.49	Agency Staff	6600	0	0	0	(Sch 2)
155	.40-.99	Other - Nonlabor	6600	8,042	0	8,042	(Sch 4)
155		Social Services - Total	6600	\$ 97,509	\$ (6,441)	\$ 91,068	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC PALMS HEALTHCARE

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

Provider NPI:  
1972719037

OSHPD Facility Number:  
206190279

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	\$ 121,383	\$ 0	\$ 121,383	(Sch 2)
160	.20-.39	Fringe Benefits	6700	30,190	0	30,190	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	8,351	0	8,351	(Sch 4)
160		Activities - Total	6700	\$ 159,924	\$ 0	\$ 159,924	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 245,740	\$ 8,246	\$ 253,986	(Sch 6)
165	.20-.39	Fringe Benefits	6900	55,452	1,832	57,284	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	517,615	57,817	575,432	(Sch 6)
165		Administration - Total	6900	\$ 818,807	\$ 67,895	\$ 886,702	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 81,281	\$ 0	\$ 81,281	(Sch 3)
166	.20-.39	Fringe Benefits	6900	16,073	0	16,073	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	17,215	0	17,215	(Sch 4)
166		Medical Records - Total	6900	\$ 114,569	\$ 0	\$ 114,569	
167		CDPH Licensing Fees	6900	\$ 31,920	\$ 0	\$ 31,920	(Sch 6)
168		Professional Liability Insurance	6900	\$ 271,876	\$ (8,862)	\$ 263,014	(Sch 6)
169		Quality Assurance Fees	6900	\$ 451,290	\$ 0	\$ 451,290	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 96,569	\$ 0	\$ 96,569	(Sch 3)
170	.20-.39	Fringe Benefits	6800	21,657	0	21,657	(Sch 3)
170	.49	Agency Staff	6800	0	0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	1,225	0	1,225	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 119,451	\$ 0	\$ 119,451	
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>				\$ 2,065,346	\$ 52,592	\$ 2,117,938	
200		<b>Total</b>		\$ 7,239,009	\$ (28,310)	\$ 7,210,699	

210	0.24	Total Facility Group Health Insurance * (Adj 1)	6900			\$ 64,293	
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\* For informational purposes only, this amount is included in various cost centers above.

















Provider Name							Fiscal Period			Provider NPI		Adjustments
PACIFIC PALMS HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1972719037		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.						
<u>MEMORANDUM ADJUSTMENT</u>												
1	Not Reported			8	210		Total 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, Sections 2300 and 2304	\$0	\$64,293	\$64,293		

Provider Name							Fiscal Period	Provider NPI		Adjustments	
PACIFIC PALMS HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1972719037		11	
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>RECLASSIFICATIONS OF REPORTED COSTS</u></b>											
2	10.5	080	4	8A-1	080	4	Physical Therapy - Other - Nonlabor	\$261,829	\$3,719	\$265,548	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	172,177	(3,719)	168,458 *	
							To reclassify physical therapy expense to the appropriate ancillary cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2202.8, 2203.2, 2300 and 2304 CCR, Title 22, Sections 51081, 51123 and 51511				
3	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	\$12,494	\$1,130	\$13,624	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	* 168,458	(1,130)	167,328	
							To reclassify oxygen expense from skilled nursing to the appropriate ancillary cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2202.8, 2203.2, 2300 and 2304 CCR, Title 22, Sections 51123 and 51511				
4	10.5	035	4	8A-1	035	4	Leases and Rentals	\$8,640	\$18,838	\$27,478	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	517,615	(18,838)	498,777 *	
							To reclassify lease expenses from the using cost centers to the Leases and Rentals cost center. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 52000(e) and 52501				
5	10.5	040	4	8A-1	040	4	Property Taxes	\$114,059	\$1,084	\$115,143 *	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* 498,777	(1,084)	497,693 *	
							To reclassify unsecured property taxes expense 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				

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
PACIFIC PALMS HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1972719037		11	
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>RECLASSIFICATIONS OF REPORTED COSTS</u></b>											
6	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$2,123,163	(\$18,033)	\$2,105,130 *	
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	525,924	(3,958)	521,966 *	
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	245,740	18,033	263,773 *	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	55,452	3,958	59,410 *	
							To reclassify Central Supply Clerk 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				
7	10.5	040	4	8A-1	040	4	Property Taxes	* \$115,143	(\$38,016)	\$77,127	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* 497,693	38,016	535,709 *	
							To reclassify related lease cost expense 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				
8	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* \$535,709	\$8,862	\$544,571 *	
	10.5	168	4	8A-1	168	4	Administration - Professional Liability Insurance	271,876	(8,862)	263,014	
							To reclassify finance fees, taxes and other 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				

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
PACIFIC PALMS HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1972719037		11	
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>ADJUSTMENTS TO REPORTED COSTS</b>											
9	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	*	\$263,773	(\$5,421)	\$258,352 *
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	*	59,410	(1,342)	58,068 *
							To eliminate community director salaries and benefits not related to patient care.				
							42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105				
10	10.5	005	1	8A-1	005	1	Plant Operations and Maintenance - Salaries and Wages		\$59,281	(\$8,983)	\$50,298
	10.5	005	2	8A-1	005	2	Plant Operations and Maintenance - Fringe Benefits		14,410	(1,614)	12,796
	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	*	2,105,130	(25,618)	2,079,512
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	*	521,966	(4,602)	517,364
	10.5	155	1	8A-1	155	1	Social Services - Salaries and Wages		72,887	(5,460)	67,427
	10.5	155	2	8A-1	155	2	Social Services - Fringe Benefits		16,580	(981)	15,599
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	*	258,352	(4,366)	253,986
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	*	58,068	(784)	57,284
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	544,571	30,861	575,432
							To adjust reported home office costs to agree with the Unified Care Services 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				

Provider Name							Fiscal Period	Provider NPI		Adjustments
PACIFIC PALMS HEALTHCARE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1972719037		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<b>ADJUSTMENT TO REPORTED PATIENT DAYS</b>										
11	4.1	5	2	1	15	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 30, 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	22,277	(147)	22,130	