

**REPORT  
ON THE  
RATE SETTING AUDIT**

**PACIFIC CONVALESCENT CENTER  
SANTA MONICA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1609972520**

**FISCAL PERIOD ENDED  
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: Felipe Avila  
Auditor: Lang Doan**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

Date: May 14, 2013

William Presnell, CFO  
Sun Mar Management Services  
3050 Saturn Street, Suite 101  
Brea, CA 92821

PACIFIC CONVALESCENT CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI) 1609972520  
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 that include a summary of the total due the State in the amount of \$19,519, which resulted from Medi-Cal overpayments
3. Audited Allocation of Home Office Cost

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

William Presnell  
Page 2

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.

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:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility No.:  
206190584

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	\$ 1,305,644	\$ 88.53
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 349,933	\$ 23.73
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 430,167	\$ 29.17
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 352,399	\$ 23.89
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 12,560	\$ 0.85
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 9,698	\$ 0.66
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 31,346	\$ 2.13
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 156,749	\$ 10.63
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 371,546	\$ 25.19
11	Cost of Routine Service/Audited Total Costs	\$ 3,306,668	\$ 3,020,040	\$ 204.78
12	Total Patient Days (Adj )	14,748	14,748	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 224.21	\$ 204.78	
14	Overpayments (Adjs 10,11)	\$ 0	\$ (19,519)	
15	Medi-Cal Days (Adj 9)	10,220	10,234	
16	Medi-Cal Managed Care Days (Adj )		0	
<b>INTERMEDIATE CARE</b>				
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
18	Total Patient Days (Adj )	0	0	
19	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
20	Overpayments (Adj )	\$ 0	\$ 0	
<b>MENTALLY DISORDERED CARE</b>				
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
22	Total Patient Days (Adj )	0	0	
23	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
24	Overpayments (Adj )	\$ 0	\$ 0	
<b>DEVELOPMENTALLY DISABLED CARE</b>				
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
26	Total Patient Days (Adj )	0	0	
27	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
28	Overpayments (Adj )	\$ 0	\$ 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 CONVALESCENT CENTER

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

**Provider NPI:**  
1609972520

**OSHPD Facility No.:**  
206190584

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	\$ 0	
50	Total Patient Days (Adj )	0	0	
51	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
52	Overpayments (Adj )	\$ 0	\$ 0	
<b>HOSPICE INPATIENT CARE</b>				
53	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
54	Total Patient Days (Adj )	0	0	
55	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
56	Overpayments (Adj )	\$ 0	\$ 0	
<b>OTHER ROUTINE SERVICES</b>				
57	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
58	Total Patient Days (Adj )	0	0	
59	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
60	Overpayments (Adj )	\$ 0	\$ 0	

ALLOCATION OF GENERAL SERVICES  
DIRECT CARE LABOR

Provider Name:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility No.:  
206190584

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	\$ 49,877	\$ 49,877		
160	Activities	51,250		\$ 51,250	
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	197,601	0	0	197,601
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	164,195	0	0	164,195
083	Speech Pathology	15,349	0	0	15,349
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	1,204,517	49,877	51,250	1,305,644 *
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>\$ 1,682,789</b>	<b>\$ 49,877</b>	<b>\$ 51,250</b>	<b>\$ 1,682,789</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
PACIFIC CONVALESCENT CENTER

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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	\$ 10,078	\$ 10,078										
010	Housekeeping	59,788	47	\$ 59,835									
060	Laundry and Linen	110,363	706	4,211	\$ 115,280								
065	Dietary	106,071	1,415	8,438	0	\$ 115,924							
155	Social Services	N/A	98	587	0	0	\$ 685						
160	Activities	N/A	725	4,322	0	0	0	\$ 5,047					
165	Administration	N/A	348	2,078	0	0	0	0		\$ 2,426	\$ 2,426		
166	Medical Records	45,851	69	412	0	0	0	0		46,333		\$ 46,333	
170	Inservice Education - Nursing	34,776	36	214	0	0	0	0	\$ 35,026				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		298	1,776	0	0	0	0	0	2,074	21	410	\$ 2,505
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		259	1,546	0	0	0	0	0	1,806	169	3,234	5,209
081	Respiratory Therapy		29	174	0	0	0	0	0	204	1	27	232
082	Occupational Therapy		41	246	0	0	0	0	0	287	132	2,524	2,944
083	Speech Pathology		15	87	0	0	0	0	0	102	13	246	361
085	Pharmacy		231	1,380	0	0	0	0	0	1,611	122	2,335	4,068
090	Laboratory		0	0	0	0	0	0	0	0	20	373	392
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	45	850	895
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		5,717	34,101	115,280	115,924	685	5,047	35,026	311,779	1,898	36,255	349,933 *
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		44	262	0	0	0	0	0	306	4	78	387
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 366,927</b>	<b>\$ 10,078</b>	<b>\$ 59,835</b>	<b>\$ 115,280</b>	<b>\$ 115,924</b>	<b>\$ 685</b>	<b>\$ 5,047</b>	<b>\$ 35,026</b>	<b>\$ 318,168</b>	<b>\$ 2,426</b>	<b>\$ 46,333</b>	<b>\$ 366,927</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
PACIFIC CONVALESCENT CENTER

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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	\$ 134,198	\$ 134,198										
010	Housekeeping	9,235	620	\$ 9,855									
060	Laundry and Linen	4,184	9,401	694	\$ 14,278								
065	Dietary	108,325	18,837	1,390	0	\$ 128,552							
155	Social Services	0	1,310	97	0	0	\$ 1,407						
160	Activities	4,820	9,649	712	0	0	0	\$ 15,181					
165	Administration	N/A	4,639	342	0	0	0	0		\$ 4,981	\$ 4,981		
166	Medical Records	0	921	68	0	0	0	0		989		\$ 989	
170	Inservice Education - Nursing	0	478	35	0	0	0	0	\$ 513				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	8,687	3,966	293	0	0	0	0	0	12,945	44	9	\$ 12,998
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	0	3,452	255	0	0	0	0	0	3,707	348	69	4,124
081	Respiratory Therapy	0	389	29	0	0	0	0	0	418	3	1	422
082	Occupational Therapy	0	549	40	0	0	0	0	0	589	271	54	915
083	Speech Pathology	0	195	14	0	0	0	0	0	209	26	5	241
085	Pharmacy	139,950	3,081	227	0	0	0	0	0	143,258	251	50	143,559
090	Laboratory	24,609	0	0	0	0	0	0	0	24,609	40	8	24,657
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	56,165	0	0	0	0	0	0	0	56,165	91	18	56,275
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	183,820	76,128	5,616	14,278	128,552	1,407	15,181	513	425,496	3,897	774	430,167 *
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	2,417	584	43	0	0	0	0	0	3,044	8	2	3,054
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 676,410</b>	<b>\$ 134,198</b>	<b>\$ 9,855</b>	<b>\$ 14,278</b>	<b>\$ 128,552</b>	<b>\$ 1,407</b>	<b>\$ 15,181</b>	<b>\$ 513</b>	<b>\$ 670,441</b>	<b>\$ 4,981</b>	<b>\$ 989</b>	<b>\$ 676,410</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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)	\$ 391,773	97%							
	Property Tax (line 40)	13,963	3%	\$ 405,736						
005	Plant Operations and Maintenance			2,024	\$ 2,024					
010	Housekeeping			1,864	9	\$ 1,873				
060	Laundry and Linen			28,281	142	132	\$ 28,555			
065	Dietary			56,669	284	264	0	\$ 57,217		
155	Social Services			3,941	20	18	0	0	\$ 3,979	
160	Activities			29,027	146	135	0	0	0	\$ 29,308
165	Administration			13,954	70	65	0	0	0	0
166	Medical Records			2,770	14	13	0	0	0	0
170	Inservice Education - Nursing			1,438	7	7	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			11,930	60	56	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			10,386	52	48	0	0	0	0
081	Respiratory Therapy			1,172	6	5	0	0	0	0
082	Occupational Therapy			1,651	8	8	0	0	0	0
083	Speech Pathology			586	3	3	0	0	0	0
085	Pharmacy			9,267	46	43	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			229,019	1,148	1,068	28,555	57,217	3,979	29,308
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			1,758	9	8	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 405,736</b>	<b>100%</b>	<b>\$ 405,736</b>	<b>\$ 2,024</b>	<b>\$ 1,873</b>	<b>\$ 28,555</b>	<b>\$ 57,217</b>	<b>\$ 3,979</b>	<b>\$ 29,308</b>

\* (To Schedule 1)

## ALLOCATION OF CAPITAL COSTS

Provider Name:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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 97% Of Total	Property Tax 3% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 391,773	97%							
	Property Tax (line 40)	13,963	3%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 14,089	\$ 14,089				
166	Medical Records				2,796		\$ 2,796			
170	Inservice Education - Nursing			\$ 1,452						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	12,046	125	25	\$ 12,195	\$ 11,775	\$ 420
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	10,486	983	195	11,665	11,263	401
081	Respiratory Therapy			0	1,183	8	2	1,193	1,152	41
082	Occupational Therapy			0	1,667	768	152	2,587	2,498	89
083	Speech Pathology			0	592	75	15	681	658	23
085	Pharmacy			0	9,357	710	141	10,208	9,857	351
090	Laboratory			0	0	113	22	136	131	5
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	259	51	310	299	11
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			1,452	351,745	11,025	2,188	364,958	352,399	12,560
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	1,775	24	5	1,803	1,741	62
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 405,736	100%	\$ 1,452	\$ 388,851	\$ 14,089	\$ 2,796	\$ 405,736	\$ 391,773	\$ 13,963

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
PACIFIC CONVALESCENT CENTER

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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. 65% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 6% of Total	Quality Assur. Fees 28% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 2,293												
055	Interest - Other	8,130												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	464,392												
	Total Costs Allocable as Administration	474,815	65%											
167	CDPH Licensing Fees	12,393	2%											
168	Professional Liability Insurance	40,059	6%											
169	Quality Assurance Fees	200,316	28%											
174	Caregiver Training	0	0%											
	Total	727,583	100%						\$ 727,583					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 2,074	\$ 12,945	\$ 12,046	\$ 27,065	6,435	\$ 4,199	\$ 110	\$ 354	\$ 1,772	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			197,601	1,806	3,707	10,486	213,600	50,784	33,141	865	2,796	13,982	0
081	Respiratory Therapy			0	204	418	1,183	1,805	429	280	7	24	118	0
082	Occupational Therapy			164,195	287	589	1,667	166,738	39,643	25,870	675	2,183	10,914	0
083	Speech Pathology			15,349	102	209	592	16,252	3,864	2,522	66	213	1,064	0
085	Pharmacy			0	1,611	143,258	9,357	154,226	36,668	23,929	625	2,019	10,095	0
090	Laboratory			0	0	24,609	0	24,609	5,851	3,818	100	322	1,611	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	56,165	0	56,165	13,353	8,714	227	735	3,676	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			1,305,644	311,779	425,496	351,745	2,394,664	569,338	371,546	9,698	31,346	156,749	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	306	3,044	1,775	5,125	1,218	795	21	67	335	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 727,583		\$ 1,682,789	\$ 318,168	\$ 670,441	\$ 388,851	\$ 3,060,249	\$ 727,583					
	Total Administrative Costs							\$ 727,583		\$ 474,815	\$ 12,393	\$ 40,059	\$ 200,316	\$ -
	Unit Cost Multiplier							0.23775290						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 48,759	\$ 5,969	\$ 16,886	\$ 71,613							
	<b>TOTAL FACILITY COSTS</b>							\$ 3,859,445						

\* (To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
PACIFIC CONVALESCENT CENTER

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 8)	Plant Ops (SQ FT) 5 (Adj 8)	Hskpng (SQ FT) 10 (Adj 8)	Laundry (LBS) 60 (Adj )	Dietary (MEALS) 65 (Adj )	Soc Srvs (DIRECT EXP) 155 (Adj )	Activities (DIRECT EXP) 160 (Adj )	Inserv. Ed (DIRECT EXP) 170 (Adj )	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	38									
010	Housekeeping	35	35								
060	Laundry and Linen	531	531	531							
065	Dietary	1,064	1,064	1,064							
155	Social Services	74	74	74							
160	Activities	545	545	545							
165	Administration	262	262	262							
166	Medical Records	52	52	52							
170	Inservice Education - Nursing	27	27	27							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	224	224	224						27,065	27,065
077	Specialized Support Surfaces									0	0
080	Physical Therapy	195	195	195						213,600	213,600
081	Respiratory Therapy	22	22	22						1,805	1,805
082	Occupational Therapy	31	31	31						166,738	166,738
083	Speech Pathology	11	11	11						16,252	16,252
085	Pharmacy	174	174	174						154,226	154,226
090	Laboratory									24,609	24,609
095	Home Health Services									0	0
100	Other Ancillary Services									56,165	56,165
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	4,300	4,300	4,300	143,820	43,146	1,388,337	1,388,337	1,388,337	2,394,664	2,394,664
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	33	33	33						5,125	5,125
145	Other Nonreimbursable									0	0
	<b>TOTAL STATISTICS</b>	<b>7,618</b>	<b>7,580</b>	<b>7,545</b>	<b>143,820</b>	<b>43,146</b>	<b>1,388,337</b>	<b>1,388,337</b>	<b>1,388,337</b>	<b>3,060,249</b>	<b>3,060,249</b>
	<b>TOTAL DIRECT SALARIES COSTS - SCH. 2</b>						\$ 49,877	\$ 51,250			
	<b>UNIT COST MULTIPLIER (DIRECT SALARIES)</b>						0.035925715	0.036914668			
	<b>TOTAL INDIRECT SALARIES COSTS - SCH. 3</b>		\$ 10,078	\$ 59,835	\$ 115,280	\$ 115,924	\$ 685	\$ 5,047	\$ 35,026	\$ 2,426	\$ 46,333
	<b>UNIT COST MULTIPLIER (INDIRECT SALARIES)</b>		1.32955145	7.93035577	0.80155758	2.68677378	0.00049356	0.00363503	0.02522876	0.00079278	0.01514012
	<b>TOTAL INDIRECT OTHER COSTS - SCH. 4</b>		\$ 134,198	\$ 9,855	\$ 14,278	\$ 128,552	\$ 1,407	\$ 15,181	\$ 513	\$ 4,981	\$ 989
	<b>UNIT COST MULTIPLIER (INDIRECT OTHER)</b>		17.70422164	1.30611634	0.09928028	2.97946506	0.00101327	0.01093440	0.00036971	0.00162755	0.00032303
	<b>TOTAL CAPITAL COSTS - SCH. 5</b>	\$ 405,736	\$ 2,024	\$ 1,873	\$ 28,555	\$ 57,217	\$ 3,979	\$ 29,308	\$ 1,452	\$ 14,089	\$ 2,796
	<b>UNIT COST MULTIPLIER (CAPITAL COSTS)</b>	53.26017327	0.26700351	0.24830367	0.19854527	1.32612783	0.00286630	0.02110989	0.00104581	0.00460393	0.00091376

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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	\$ 0	\$ 0	\$ 0	(Sch 3)
005	.20-.39	Fringe Benefits	6200	0	0	0	(Sch 3)
005	.79	Agency Staff	6200	10,268	(190)	10,078	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	134,198	0	134,198	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 144,466	\$ (190)	\$ 144,276	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 0	\$ 0	\$ 0	(Sch 3)
010	.20-.39	Fringe Benefits	6300	0	0	0	(Sch 3)
010	.79	Agency Staff	6300	60,916	(1,128)	59,788	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	9,271	(36)	9,235	(Sch 4)
010		Housekeeping - Total	6300	\$ 70,187	\$ (1,164)	\$ 69,023	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 0	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	29,237	0	29,237	(Sch 5)
025		Depreciation: Equipment	7140	32,350	0	32,350	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	0	0	0	(Sch 5)
035		Leases and Rentals	7200	330,186	0	330,186	(Sch 5)
040		Property Taxes	7300	13,963	0	13,963	(Sch 5)
045		Property Insurance	7400	2,293	0	2,293	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500	0	0	0	(Sch 6)
055		Interest - Other	7600	\$ 8,150	\$ (20)	\$ 8,130	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 630,832	\$ (1,374)	\$ 629,458	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 0	\$ 0	\$ 0	(Sch 3)
060	.20-.39	Fringe Benefits	6400	0	0	0	(Sch 3)
060	.79	Agency Staff	6400	110,905	(542)	110,363	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	4,228	(44)	4,184	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 115,133	\$ (586)	\$ 114,547	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 0	\$ 0	\$ 0	(Sch 3)
065	.20-.39	Fringe Benefits	6500	0	0	0	(Sch 3)
065	.79	Agency Staff	6500	108,005	(1,934)	106,071	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	137,336	(29,011)	108,325	(Sch 4)
065		Dietary - Total	6500	\$ 245,341	\$ (30,945)	\$ 214,396	
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	16,779	(8,092)	8,687	(Sch 4)
075		Patient Supplies - Total	8100	\$ 16,779	\$ (8,092)	\$ 8,687	
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	0	0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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	197,601	0	197,601	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	0	0	0	(Sch 4)
080		Physical Therapy - Total	8200	\$ 197,601	\$ 0	\$ 197,601	
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	164,195	0	164,195	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	0	0	0	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 164,195	\$ 0	\$ 164,195	
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	15,349	0	15,349	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	0	0	0	(Sch 4)
083		Speech Pathology - Total	8280	\$ 15,349	\$ 0	\$ 15,349	
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	123,171	16,779	139,950	(Sch 4)
085		Pharmacy - Total	8300	\$ 123,171	\$ 16,779	\$ 139,950	
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	24,609	0	24,609	(Sch 4)
090		Laboratory - Total	8400	\$ 24,609	\$ 0	\$ 24,609	
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	56,165	0	56,165	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 56,165	\$ 0	\$ 56,165	

## SUMMARY OF AUDITED PROGRAM EXPENSES

## Provider Name:

PACIFIC CONVALESCENT CENTER

## Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

## Provider NPI:

1609972520

## OSHPD Facility Number:

206190584

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		\$ 597,869	\$ 8,687	\$ 606,556	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,025,642	\$ (10,548)	\$ 1,015,094	(Sch 2)
105	.20-.39	Fringe Benefits	6110	202,500	(13,077)	189,423	(Sch 2)
105	.49	Agency Staff	6110	0	0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	190,932	(7,112)	183,820	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 1,419,074	\$ (30,737)	\$ 1,388,337	
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	\$ 0	(Sch 2)
125	.20-.39	Fringe Benefits	6150	0	0	0	(Sch 2)
125	.49	Agency Staff	6150	0	0	0	(Sch 2)
125	.40-.99	Other - Nonlabor	6150	0	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	\$ 0	(Sch 2)
126	.20-.39	Fringe Benefits	6160	0	0	0	(Sch 2)
126	.49	Agency Staff	6160	0	0	0	(Sch 2)
126	.40-.99	Other - Nonlabor	6160	0	0	0	(Sch 4)
126		Subacute Care - Pediatric - Total	6160	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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	\$ 0
128	.20-.39	Fringe Benefits	6170	0	0	0
128	.49	Agency Staff	6170	0	0	0
128	.40-.99	Other - Nonlabor	6170	0	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	\$ 0
130	.20-.39	Fringe Benefits	6180	0	0	0
130	.49	Agency Staff	6180	0	0	0
130	.40-.99	Other - Nonlabor	6180	0	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	\$ 0
135	.20-.39	Fringe Benefits	6190	0	0	0
135	.49	Agency Staff	6190	0	0	0
135	.40-.99	Other - Nonlabor	6190	0	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	\$ 0 (Sch 2)
139	.20-.39	Fringe Benefits	9100	0	0	0 (Sch 2)
139	.49	Agency Staff	9100	0	0	0 (Sch 2)
139	.40-.99	Other - Nonlabor	9100	0	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	\$ 0 (Sch 2)
140	.20-.39	Fringe Benefits	8900	0	0	0 (Sch 2)
140	.49	Agency Staff	8900	0	0	0 (Sch 2)
140	.40-.99	Other - Nonlabor	8900	2,417	0	2,417 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 2,417	\$ 0	\$ 2,417
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$ 0	\$ 0	\$ 0 (Sch 2)
145	.20-.39	Fringe Benefits	9100	0	0	0 (Sch 2)
145	.49	Agency Staff	9100	0	0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100	0	0	0 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
146		<b>Subtotal 105 - 145</b>		\$ 1,421,491	\$ (30,737)	\$ 1,390,754
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 41,062	\$ 0	\$ 41,062 (Sch 2)
155	.20-.39	Fringe Benefits	6600	8,889	(74)	8,815 (Sch 2)
155	.49	Agency Staff	6600	0	0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	0	0	0 (Sch 4)
155		Social Services - Total	6600	\$ 49,951	\$ (74)	\$ 49,877

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PACIFIC CONVALESCENT CENTER

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

Provider NPI:  
1609972520

OSHPD Facility Number:  
206190584

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	\$ 41,573	\$ 0	\$ 41,573	(Sch 2)
160	.20-.39	Fringe Benefits	6700	9,750	(73)	9,677	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	4,820	0	4,820	(Sch 4)
160		Activities - Total	6700	\$ 56,143	\$ (73)	\$ 56,070	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 148,606	\$ 10,548	\$ 159,154	(Sch 6)
165	.20-.39	Fringe Benefits	6900	26,720	1,880	28,600	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	481,975	(205,337)	276,638	(Sch 6)
165		Administration - Total	6900	\$ 657,301	\$ (192,909)	\$ 464,392	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 38,863	\$ 0	\$ 38,863	(Sch 3)
166	.20-.39	Fringe Benefits	6900	6,988	0	6,988	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	0	0	0	(Sch 4)
166		Medical Records - Total	6900	\$ 45,851	\$ 0	\$ 45,851	
167		CDPH Licensing Fees	6900	\$ 12,393	\$ 0	\$ 12,393	(Sch 6)
168		Professional Liability Insurance	6900	\$ 40,059	\$ 0	\$ 40,059	(Sch 6)
169		Quality Assurance Fees	6900	\$ 200,316	\$ 0	\$ 200,316	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 32,995	\$ 0	\$ 32,995	(Sch 3)
170	.20-.39	Fringe Benefits	6800	1,834	(53)	1,781	(Sch 3)
170	.49	Agency Staff	6800	0	0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	0	0	0	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 34,829	\$ (53)	\$ 34,776	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$ 0	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900	0	0	0	(Sch 6)
174	.49	Agency Staff	6900	0	0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900	0	0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		<b>Subtotal 155 - 174</b>		\$ 1,096,843	\$ (193,109)	\$ 903,734	
200		<b>Total</b>		\$ 4,107,509	\$ (248,064)	\$ 3,859,445	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 7,502	
-----	------	---	------	--	--	----------	--

\* For informational purposes only, this amount is included in various cost centers above.









Provider Name							Fiscal Period			Provider NPI		Adjustments
PACIFIC CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1609972520		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>MEMORANDUM ADJUSTMENT</u></b>												
1	Not Reported			8	210		Total Facility Group Health Insurance To include 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	\$7,502	\$7,502	

Provider Name							Fiscal Period	Provider NPI		Adjustments
PACIFIC CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1609972520		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	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	\$190,932	(\$5,556)	\$185,376 *
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	481,975	5,556	487,531 *
							To reclassify payroll processing fees to the Administration cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4 and 2302.8			
3	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$1,025,642	(\$10,548)	\$1,015,094
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	202,500	(1,993)	200,507 *
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	148,606	10,548	159,154
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	26,720	1,993	28,713 *
							To reclassify the patient supply clerk's salaries and benefits expense to the Administration cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 52000			

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
PACIFIC CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1609972520		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
4	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	\$16,779	(\$8,092)	\$8,687
	10.5	085	4	8A-1	085	4	Pharmacy - Other - Nonlabor	123,171	16,779	139,950
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits To reconcile the reported expenses to agree with the provider's general ledger. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	* 200,507	(8,687)	191,820 *
5	10.5	005	3	8A-1	005	3	Plant Operations and Maintenance - Agency Staff	\$10,268	(\$190)	\$10,078
	10.5	010	3	8A-1	010	3	Housekeeping - Agency Staff	60,916	(1,128)	59,788
	10.5	010	4	8A-1	010	4	Housekeeping - Other - Nonlabor	9,271	(36)	9,235
	10.5	055	4	8A-1	055	4	Interest - Other	8,150	(20)	8,130
	10.5	060	3	8A-1	060	3	Laundry and Linen - Agency Staff	110,905	(542)	110,363
	10.5	060	4	8A-1	060	4	Laundry and Linen - Other - Nonlabor	4,228	(44)	4,184
	10.5	065	3	8A-1	065	3	Dietary - Agency Staff	108,005	(1,934)	106,071
	10.5	065	4	8A-1	065	4	Dietary - Other - Nonlabor	137,336	(29,011)	108,325
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To eliminate the profits from related party transactions. 42 CFR 413.17 / CMS Pub. 15-1, Sections 900 and 1005	* 185,376	(1,556)	183,820
6	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To reconcile the reported home office costs to agree with the Sun Mar Management Services Home Office Audit Report for fiscal period ending December 31, 2011. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	* \$487,531	(\$210,893)	\$276,638

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments	
PACIFIC CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1609972520		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>ADJUSTMENTS TO REPORTED COSTS</u></b>											
7	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	*	\$191,820	(\$2,397)	\$189,423
	10.5	155	2	8A-1	155	2	Social Services - Fringe Benefits		8,889	(74)	8,815
	10.5	160	2	8A-1	160	2	Activities - Fringe Benefits		9,750	(73)	9,677
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	*	28,713	(113)	28,600
	10.5	170	2	8A-1	170	2	Inservice Education - Nursing - Fringe Benefits		1,834	(53)	1,781
							To reconcile the reported workers compensation insurance to agree with the amount paid. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2162.2, 2162.5, 2162.9, 2300 and 2304				

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI	Adjustments		
PACIFIC CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1609972520	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>ADJUSTMENT TO REPORTED STATISTICS</u></b>											
8	10.7	005	1	7	005	1	Plant Operations and Maintenance (Square Footage)	58	(20)	38	
	10.7	010	1,2	7	010	1,2	Housekeeping	66	(31)	35	
	10.7	060	1,2,3	7	060	1,2,3	Laundry and Linen	611	(80)	531	
	10.7	065	1,2,3	7	065	1,2,3	Dietary	612	452	1,064	
	10.7	075	1,2,3	7	075	1,2,3	Patient Supplies	11	213	224	
	10.7	080	1,2,3	7	080	1,2,3	Physical Therapy	38	157	195	
	10.7	081	1,2,3	7	081	1,2,3	Respiratory Therapy	0	22	22	
	10.7	085	1,2,3	7	085	1,2,3	Pharmacy	0	174	174	
	10.7	105	1,2,3	7	105	1,2,3	Skilled Nursing Care	5,393	(1,093)	4,300	
	10.7	155	1,2,3	7	155	1,2,3	Social Services	50	24	74	
	10.7	160	1,2,3	7	160	1,2,3	Activities	427	118	545	
	10.7	165	1,2,3	7	165	1,2,3	Administration	163	99	262	
	10.7	170	1,2,3	7	170	1,2,3	Inservice Education - Nursing	96	(69)	27	
	10.7	175	1	7	N/A	1	Total - Square Feet	7,652	(34)	7,618	
	10.7	175	2	7	N/A	2	Total - Square Feet	7,594	(14)	7,580	
	10.7	175	3	7	N/A	3	Total - Square Feet	7,528	17	7,545	
<p>To adjust square footage statistics to agree with the provider's records and prior year audit report in order to properly allocate indirect costs.                      42 CFR 413.24 and 413.50                      CMS Pub. 15-1, Sections 2304 and 2306</p>											

Provider Name							Fiscal Period			Provider NPI		Adjustments
PACIFIC CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1609972520		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>ADJUSTMENT TO REPORTED PATIENT DAYS</u></b>												
9	4.1	5	2	1	15	N/A	Skilled Nursing Care - Medi-Cal 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 October 8, 2012 Report Date: October 9, 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			10,220	14	10,234

Provider Name							Fiscal Period			Provider NPI		Adjustments
PACIFIC CONVALESCENT CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1609972520		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>ADJUSTMENTS TO OTHER MATTERS</u></b>												
10	Not Reported			1	14		Overpayments 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		\$0	\$13,412	\$13,412 *	
11	Not Reported			1	14		Overpayments To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 / CMS Pub. 15-1, Sections 2304 and 2409	*	\$13,412	\$6,107	\$19,519	

\*Balance carried forward from prior/to subsequent adjustments