

**REPORT  
ON THE  
RATE SETTING AUDIT**

**PALMCREST CARE AND REHABILITATION CENTER  
LONG BEACH, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1568766848**

**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**



TOBY DOUGLAS  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

May 30, 2013

Isabel Tilney, Administrator  
Palmcrest Care and Rehabilitation Center  
3501 Cedar Avenue  
Long Beach, CA 90807

PALMCREST CARE AND REHABILITATION CENTER  
NATIONAL PROVIDER IDENTIFIER (NPI): 1568766848  
FISCAL PERIOD ENDED: DECEMBER 31, 2011

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

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

This audit report includes the:

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

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

Isabel Tilney  
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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: Jennifer Greenwell, Controller  
Caravan Operations Corporation  
5652 Vineland Avenue, Suite #202  
North Hollywood, CA 91601

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

## Provider Name:

PALMCREST CARE AND REHABILITATION CENTER

## Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

## Provider NPI:

1568766848

## OSHPD Facility No.:

206190594

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	\$ 2,293,359	\$ 68.68
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 931,520	\$ 27.90
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 878,154	\$ 26.30
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 501,503	\$ 15.02
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 1,123	\$ 0.03
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 15,715	\$ 0.47
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 48,282	\$ 1.45
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 343,226	\$ 10.28
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 460,826	\$ 13.80
11	Cost of Routine Service/Audited Total Costs	\$ 5,428,071.00	\$ 5,473,707	\$ 163.92
12	Total Patient Days (Adj )	33,392	33,392	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 162.56	\$ 163.92	
14	Overpayments (Adj )	\$	\$ 0	
15	Medi-Cal Days (Adj 10)	23,034	22,680	
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:**  
PALMCREST CARE AND REHABILITATION CENTER

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

**Provider NPI:**  
1568766848

**OSHPD Facility No.:**  
206190594

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:**  
PALMCREST CARE AND REHABILITATION CENTER

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

**Provider NPI:**  
1568766848

**OSHPD Facility No.:**  
206190594

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	\$ 50,873	\$ 50,873		
160	Activities	77,686		\$ 77,686	
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	2,164,800	50,873	77,686	2,293,359 *
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>\$ 2,293,359</b>	<b>\$ 50,873</b>	<b>\$ 77,686</b>	<b>\$ 2,293,359</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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	\$ 78,917	\$ 78,917										
010	Housekeeping	155,981	483	\$ 156,464									
060	Laundry and Linen	103,092	6,163	12,294	\$ 121,549								
065	Dietary	511,917	15,272	30,465	0	\$ 557,654							
155	Social Services	N/A	384	767	0	0	\$ 1,151						
160	Activities	N/A	4,077	8,133	0	0	0	\$ 12,209					
165	Administration	N/A	4,145	8,269	0	0	0	0		\$ 12,415	\$ 12,415		
166	Medical Records	62,627	712	1,420	0	0	0	0		64,759		\$ 64,759	
170	Inservice Education - Nursing	51,966	179	357	0	0	0	0	\$ 52,502				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		487	972	0	0	0	0	0	1,459	32	169	\$ 1,660
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		868	1,731	0	0	0	0	0	2,599	943	4,921	8,464
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		868	1,731	0	0	0	0	0	2,599	915	4,774	8,289
083	Speech Pathology		868	1,731	0	0	0	0	0	2,599	155	807	3,561
085	Pharmacy		164	327	0	0	0	0	0	490	624	3,257	4,371
090	Laboratory		0	0	0	0	0	0	0	0	48	253	301
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	41	214	255
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		42,344	84,470	121,549	557,654	1,151	12,209	52,502	871,879	9,594	50,046	931,520
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		1,903	3,797	0	0	0	0	0	5,700	61	318	6,079
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 964,500</b>	<b>\$ 78,917</b>	<b>\$ 156,464</b>	<b>\$ 121,549</b>	<b>\$ 557,654</b>	<b>\$ 1,151</b>	<b>\$ 12,209</b>	<b>\$ 52,502</b>	<b>\$ 887,327</b>	<b>\$ 12,415</b>	<b>\$ 64,759</b>	<b>\$ 964,500</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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	\$ 272,741	\$ 272,741										
010	Housekeeping	20,174	1,671	\$ 21,845									
060	Laundry and Linen	46,598	21,299	1,716	\$ 69,613								
065	Dietary	423,866	52,780	4,253	0	\$ 480,899							
155	Social Services	2,744	1,329	107	0	0	\$ 4,180						
160	Activities	11,709	14,090	1,135	0	0	0	\$ 26,934					
165	Administration	N/A	14,326	1,155	0	0	0	0		\$ 15,481	\$ 15,481		
166	Medical Records	15,654	2,460	198	0	0	0	0		18,312		\$ 18,312	
170	Inservice Education - Nursing	0	618	50	0	0	0	0	\$ 668				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	8,468	1,684	136	0	0	0	0	0	10,288	40	48	\$ 10,376
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	430,021	2,999	242	0	0	0	0	0	433,262	1,176	1,392	435,830
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	416,798	2,999	242	0	0	0	0	0	420,039	1,141	1,350	422,531
083	Speech Pathology	60,558	2,999	242	0	0	0	0	0	63,799	193	228	64,220
085	Pharmacy	290,187	566	46	0	0	0	0	0	290,798	779	921	292,498
090	Laboratory	22,707	0	0	0	0	0	0	0	22,707	60	72	22,839
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	19,198	0	0	0	0	0	0	0	19,198	51	60	19,310
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	111,608	146,342	11,793	69,613	480,899	4,180	26,934	668	852,038	11,964	14,152	878,154
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	2,506	6,578	530	0	0	0	0	0	9,614	76	90	9,780
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 2,155,537</b>	<b>\$ 272,741</b>	<b>\$ 21,845</b>	<b>\$ 69,613</b>	<b>\$ 480,899</b>	<b>\$ 4,180</b>	<b>\$ 26,934</b>	<b>\$ 668</b>	<b>\$ 2,121,744</b>	<b>\$ 15,481</b>	<b>\$ 18,312</b>	<b>\$ 2,155,537</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

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

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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)	\$ 545,011	100%							
	Property Tax (line 40)	1,220	0%	\$ 546,231						
005	Plant Operations and Maintenance			14,141	\$ 14,141					
010	Housekeeping			3,259	87	\$ 3,346				
060	Laundry and Linen			41,552	1,104	263	\$ 42,919			
065	Dietary			102,969	2,737	652	0	\$ 106,357		
155	Social Services			2,592	69	16	0	0	\$ 2,677	
160	Activities			27,487	731	174	0	0	0	\$ 28,392
165	Administration			27,949	743	177	0	0	0	0
166	Medical Records			4,799	128	30	0	0	0	0
170	Inservice Education - Nursing			1,206	32	8	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			3,285	87	21	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			5,852	156	37	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			5,852	156	37	0	0	0	0
083	Speech Pathology			5,852	156	37	0	0	0	0
085	Pharmacy			1,104	29	7	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			285,499	7,588	1,806	42,919	106,357	2,677	28,392
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			12,833	341	81	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 546,231</b>	<b>100%</b>	<b>\$ 546,231</b>	<b>\$ 14,141</b>	<b>\$ 3,346</b>	<b>\$ 42,919</b>	<b>\$ 106,357</b>	<b>\$ 2,677</b>	<b>\$ 28,392</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

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

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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 100% Of Total	Property Tax 0% Of Total
<b>GENERAL SERVICES</b>										
	Capital Related (excluding lines 40 & 45)	\$ 545,011	100%							
	Property Tax (line 40)	1,220	0%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 28,869	\$ 28,869				
166	Medical Records				4,957		\$ 4,957			
170	Inservice Education - Nursing			\$ 1,246						
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			0	3,393	75	13	\$ 3,481	\$ 3,474	\$ 8
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	6,044	2,194	377	8,615	8,596	19
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	6,044	2,128	365	8,538	8,519	19
083	Speech Pathology			0	6,044	360	62	6,466	6,451	14
085	Pharmacy			0	1,140	1,452	249	2,841	2,835	6
090	Laboratory			0	0	113	19	132	132	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	95	16	112	111	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			1,246	476,484	22,310	3,831	502,625	501,503	1,123 *
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	13,255	142	24	13,421	13,391	30
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 546,231	100%	\$ 1,246	\$ 512,405	\$ 28,869	\$ 4,957	\$ 546,231	\$ 545,011	\$ 1,220

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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. 53% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 6% of Total	Quality Assur. Fees 40% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 10,120												
055	Interest - Other	30,319												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	555,860												
	Total Costs Allocable as Administration	596,299	53%											
167	CDPH Licensing Fees	20,335	2%											
168	Professional Liability Insurance	62,476	6%											
169	Quality Assurance Fees	444,127	40%											
174	Caregiver Training	0	0%											
	Total	1,123,237	100%						\$ 1,123,237					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ -	\$ 1,459	\$ 10,288	\$ 3,393	\$ 15,140	2,925	\$ 1,553	\$ 53	\$ 163	\$ 1,156	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	2,599	433,262	6,044	441,906	85,362	45,316	1,545	4,748	33,752	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	2,599	420,039	6,044	428,683	82,808	43,960	1,499	4,606	32,742	0
083	Speech Pathology			0	2,599	63,799	6,044	72,443	13,994	7,429	253	778	5,533	0
085	Pharmacy			0	490	290,798	1,140	292,428	56,488	29,988	1,023	3,142	22,335	0
090	Laboratory			0	0	22,707	0	22,707	4,386	2,329	79	244	1,734	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	19,198	0	19,198	3,708	1,969	67	206	1,466	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			2,293,359	871,879	852,038	476,484	4,493,761	868,049	460,826	15,715	48,282	343,226	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	5,700	9,614	13,255	28,569	5,519	2,930	100	307	2,182	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 1,123,237		\$ 2,293,359	\$ 887,327	\$ 2,121,744	\$ 512,405	\$ 5,814,834	\$ 1,123,237					
	Total Administrative Costs							\$ 1,123,237		\$ 596,299	\$ 20,335	\$ 62,476	\$ 444,127	\$ -
	Unit Cost Multiplier							0.19316751						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 77,173	\$ 33,793	\$ 33,826	\$ 144,793							
	<b>TOTAL FACILITY COSTS</b>							\$ 7,082,864						

\* (To Schedule 1)

## STATISTICS FOR COST ALLOCATION

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 9)	Plant Ops (SQ FT) 5 (Adj 9)	Hskpng (SQ FT) 10 (Adj 9)	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	551									
010	Housekeeping	127	127								
060	Laundry and Linen	1,619	1,619	1,619							
065	Dietary	4,012	4,012	4,012							
155	Social Services	101	101	101							
160	Activities	1,071	1,071	1,071							
165	Administration	1,089	1,089	1,089							
166	Medical Records	187	187	187							
170	Inservice Education - Nursing	47	47	47							
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	128	128	128						15,140	15,140
077	Specialized Support Surfaces									0	0
080	Physical Therapy	228	228	228						441,906	441,906
081	Respiratory Therapy									0	0
082	Occupational Therapy	228	228	228						428,683	428,683
083	Speech Pathology	228	228	228						72,443	72,443
085	Pharmacy	43	43	43						292,428	292,428
090	Laboratory									22,707	22,707
095	Home Health Services									0	0
100	Other Ancillary Services									19,198	19,198
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	11,124	11,124	11,124	312,360	93,708	2,276,408	2,276,408	2,276,408	4,493,761	4,493,761
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	500	500	500						28,569	28,569
145	Other Nonreimbursable	0	0	0						0	0
	<b>TOTAL STATISTICS</b>	<b>21,283</b>	<b>20,732</b>	<b>20,605</b>	<b>312,360</b>	<b>93,708</b>	<b>2,276,408</b>	<b>2,276,408</b>	<b>2,276,408</b>	<b>5,814,834</b>	<b>5,814,834</b>
	<b>TOTAL DIRECT SALARIES COSTS - SCH. 2</b>						\$ 50,873	\$ 77,686			
	<b>UNIT COST MULTIPLIER (DIRECT SALARIES)</b>						0.022347927	0.034126571			
	<b>TOTAL INDIRECT SALARIES COSTS - SCH. 3</b>		\$ 78,917	\$ 156,464	\$ 121,549	\$ 557,654	\$ 1,151	\$ 12,209	\$ 52,502	\$ 12,415	\$ 64,759
	<b>UNIT COST MULTIPLIER (INDIRECT SALARIES)</b>		3.80653097	7.59351757	0.38913010	5.95097531	0.00050580	0.00536347	0.02306344	0.00213500	0.01113683
	<b>TOTAL INDIRECT OTHER COSTS - SCH. 4</b>		\$ 272,741	\$ 21,845	\$ 69,613	\$ 480,899	\$ 4,180	\$ 26,934	\$ 668	\$ 15,481	\$ 18,312
	<b>UNIT COST MULTIPLIER (INDIRECT OTHER)</b>		13.15555663	1.06016771	0.22286227	5.13189361	0.00183613	0.01183182	0.00029351	0.00266232	0.00314925
	<b>TOTAL CAPITAL COSTS - SCH. 5</b>	\$ 546,231	\$ 14,141	\$ 3,346	\$ 42,919	\$ 106,357	\$ 2,677	\$ 28,392	\$ 1,246	\$ 28,869	\$ 4,957
	<b>UNIT COST MULTIPLIER (CAPITAL COSTS)</b>	25.66513180	0.68210919	0.16239260	0.13740267	1.13497940	0.00117618	0.01247220	0.00054733	0.00496472	0.00085253

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

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

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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	\$ 64,490	\$ 0	\$ 64,490	(Sch 3)
005	.20-.39	Fringe Benefits	6200	14,427	0	14,427	(Sch 3)
005	.79	Agency Staff	6200	0	0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	272,741	0	272,741	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 351,658	\$ 0	\$ 351,658	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 2,657	\$ 0	\$ 2,657	(Sch 3)
010	.20-.39	Fringe Benefits	6300	594	0	594	(Sch 3)
010	.79	Agency Staff	6300	152,730	0	152,730	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	20,174	0	20,174	(Sch 4)
010		Housekeeping - Total	6300	\$ 176,155	\$ 0	\$ 176,155	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 0	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	1,418	0	1,418	(Sch 5)
025		Depreciation: Equipment	7140	1,524	0	1,524	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	17,878	0	17,878	(Sch 5)
035		Leases and Rentals	7200	480,583	43,608	524,191	(Sch 5)
040		Property Taxes	7300	1,220	0	1,220	(Sch 5)
045		Property Insurance	7400	10,120	0	10,120	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500	0	0	0	(Sch 5)
055		Interest - Other	7600	\$ 30,319	\$ 0	\$ 30,319	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 1,070,875	\$ 43,608	\$ 1,114,483	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 2,322	\$ 0	\$ 2,322	(Sch 3)
060	.20-.39	Fringe Benefits	6400	519	0	519	(Sch 3)
060	.79	Agency Staff	6400	100,251	0	100,251	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	46,598	0	46,598	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 149,690	\$ 0	\$ 149,690	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 32,447	\$ 0	\$ 32,447	(Sch 3)
065	.20-.39	Fringe Benefits	6500	7,259	0	7,259	(Sch 3)
065	.79	Agency Staff	6500	472,211	0	472,211	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	425,584	(1,718)	423,866	(Sch 4)
065		Dietary - Total	6500	\$ 937,501	\$ (1,718)	\$ 935,783	
070		Provision for Bad Debts	7700	\$ 43,258	0	\$ 43,258	
		<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	11,469	(3,001)	8,468	(Sch 4)
075		Patient Supplies - Total	8100	\$ 11,469	\$ (3,001)	\$ 8,468	
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:  
PALMCREST CARE AND REHABILITATION CENTER

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

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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	454,312	(24,291)	430,021	(Sch 4)
080		Physical Therapy - Total	8200	\$ 454,312	\$ (24,291)	\$ 430,021	
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	416,798	0	416,798	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 416,798	\$ 0	\$ 416,798	
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	60,558	0	60,558	(Sch 4)
083		Speech Pathology - Total	8280	\$ 60,558	\$ 0	\$ 60,558	
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	290,187	0	290,187	(Sch 4)
085		Pharmacy - Total	8300	\$ 290,187	\$ 0	\$ 290,187	
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	22,707	0	22,707	(Sch 4)
090		Laboratory - Total	8400	\$ 22,707	\$ 0	\$ 22,707	
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	19,198	0	19,198	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 19,198	\$ 0	\$ 19,198	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

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

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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		\$ 1,275,229	\$ (27,292)	\$ 1,247,937	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,769,043	\$ 0	\$ 1,769,043	(Sch 2)
105	.20-.39	Fringe Benefits	6110	395,757	0	395,757	(Sch 2)
105	.49	Agency Staff	6110	0	0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	120,382	(8,774)	111,608	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 2,285,182	\$ (8,774)	\$ 2,276,408	
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:  
PALMCREST CARE AND REHABILITATION CENTER

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

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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
139	.20-.39	Fringe Benefits	9100		0	0
139	.49	Agency Staff	9100		0	0
139	.40-.99	Other - Nonlabor	9100		0	0
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0
						(Sch 2)
140		Beauty and Barber				
140	.01-.19	Salaries and Wages	8900	\$ 0	\$ 0	\$ 0
140	.20-.39	Fringe Benefits	8900		0	0
140	.49	Agency Staff	8900		0	0
140	.40-.99	Other - Nonlabor	8900	2,506	0	2,506
140		Beauty and Barber - Total	8900	\$ 2,506	\$ 0	\$ 2,506
						(Sch 2)
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$ 0	\$ 0	\$ 0
145	.20-.39	Fringe Benefits	9100		0	0
145	.49	Agency Staff	9100		0	0
145	.40-.99	Other - Nonlabor	9100		0	0
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
						(Sch 2)
146		<b>Subtotal 105 - 145</b>		\$ 2,287,688	\$ (8,774)	\$ 2,278,914
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 41,573	\$ 0	\$ 41,573
155	.20-.39	Fringe Benefits	6600	9,300	0	9,300
155	.49	Agency Staff	6600	0	0	0
155	.40-.99	Other - Nonlabor	6600	2,744	0	2,744
155		Social Services - Total	6600	\$ 53,617	\$ 0	\$ 53,617
						(Sch 2)

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

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

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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	\$ 63,484	\$ 0	\$ 63,484	(Sch 2)
160	.20-.39	Fringe Benefits	6700	14,202	0	14,202	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	11,709	0	11,709	(Sch 4)
160		Activities - Total	6700	\$ 89,395	\$ 0	\$ 89,395	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 120,206	\$ 0	\$ 120,206	(Sch 6)
165	.20-.39	Fringe Benefits	6900	26,892	0	26,892	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	411,195	(2,433)	408,762	(Sch 6)
165		Administration - Total	6900	\$ 558,293	\$ (2,433)	\$ 555,860	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 51,178	\$ 0	\$ 51,178	(Sch 3)
166	.20-.39	Fringe Benefits	6900	11,449	0	11,449	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	21,882	(6,228)	15,654	(Sch 4)
166		Medical Records - Total	6900	\$ 84,509	\$ (6,228)	\$ 78,281	
167		CDPH Licensing Fees	6900	\$ 23,033	\$ (2,698)	\$ 20,335	(Sch 6)
168		Professional Liability Insurance	6900	\$ 69,710	\$ (7,234)	\$ 62,476	(Sch 6)
169		Quality Assurance Fees	6900	\$ 444,127	\$ 0	\$ 444,127	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 42,466	\$ 0	\$ 42,466	(Sch 3)
170	.20-.39	Fringe Benefits	6800	9,500	0	9,500	(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	\$ 51,966	\$ 0	\$ 51,966	
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>		\$ 1,374,650	\$ (18,593)	\$ 1,356,057	
200		<b>Total</b>		\$ 7,138,891	\$ (12,769)	\$ 7,126,122	

210	0.24	Total Facility Group Health Insurance * (Adj 1)	6900			\$ 97,092	
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\* For informational purposes only, this amount is included in various cost centers above.







Provider Name:  
PALMCREST CARE AND REHABILITATION CENTER

Provider NPI:  
1568766848

OSHPD Facility Number:  
206190594

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

Line No.	Sub No.	Description	TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ 7	AUDIT ADJ 8	AUDIT ADJ
174	3	Caregiver Training - Agency Staff	0								
174	4	Caregiver Training - Other - Nonlabor	0								
200		Total	(\$12,769) (To Sch 8)	0	0	0	0	(2,944)	(4,668)	(5,157)	0

Provider Name							Fiscal Period			Provider NPI		Adjustments
PALMCREST CARE AND REHABILITATION CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1568766848		10
Report References												
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
<u>MEMORANDUM ADJUSTMENT</u>												
1	Not Reported			8	210		Total Facility Group Health Insurance To 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	\$97,092	\$97,092

Provider Name							Fiscal Period		Provider NPI		Adjustments
PALMCREST CARE AND REHABILITATION CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1568766848		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.					
<b><u>RECLASSIFICATIONS OF REPORTED COSTS</u></b>											
2	10.5	035	4	8A-1	035	4	Leases and Rentals	\$480,583	\$43,608	\$524,191	
	10.5	065	4	8A-1	065	4	Dietary - Other - Nonlabor	425,584	(1,718)	423,866	
	10.5	080	4	8A-1	080	4	Physical Therapy - Other - Nonlabor	454,312	(24,291)	430,021	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	120,382	(6,618)	113,764 *	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	411,195	(4,753)	406,442 *	
	10.5	166	4	8A-1	166	4	Medical Records - Other - Nonlabor	21,882	(6,228)	15,654	
							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				
3	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* \$406,442	\$7,234	\$413,676 *	
	10.5	168	4	8A-1	168	4	Administration - Professional Liability Insurance	69,710	(7,234)	62,476	
							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				
4	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* \$413,676	\$2,698	\$416,374 *	
	10.5	167	4	8A-1	167	4	Administration - CDPH Licensing Fees	23,033	(2,698)	20,335	
							To reclassify Non - CDPH licensing fees 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				
5	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	\$11,469	(\$3,001)	\$8,468	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	* 113,764	3,001	116,765 *	
							To reclassify enteral 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 CCR, Title 22, 51511				

Provider Name							Fiscal Period		Provider NPI		Adjustments
PALMCREST CARE AND REHABILITATION CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1568766848		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.					
<b>ADJUSTMENTS TO REPORTED COSTS</b>											
6	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate travel and entertainment expense not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	*	\$416,374	(\$2,944)	\$413,430 *
7	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate public relations/ charity expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	*	\$413,430	(\$4,668)	\$408,762
8	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor To eliminate resident personal items expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105	*	\$116,765	(\$5,157)	\$111,608

\*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
PALMCREST CARE AND REHABILITATION CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1568766848		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.				
<b><u>ADJUSTMENT TO REPORTED STATISTICS</u></b>										
9	10.7	005	1	7	005	Plant Operations and Maintenance (Square Feet)	0	551	551	
	10.7	010	1, 2	7	010	Housekeeping	0	127	127	
	10.7	060	1, 2, 3	7	060	Laundry and Linen	0	1,619	1,619	
	10.7	065	1, 2, 3	7	065	Dietary	0	4,012	4,012	
	10.7	075	1, 2, 3	7	075	Patient Supplies	0	128	128	
	10.7	080	1, 2, 3	7	080	Physical Therapy	0	228	228	
	10.7	082	1, 2, 3	7	082	Occupational Therapy	0	228	228	
	10.7	083	1, 2, 3	7	083	Speech Pathology	0	228	228	
	10.7	085	1, 2, 3	7	085	Pharmacy	0	43	43	
	10.7	105	1, 2, 3	7	105	Skilled Nursing Care	0	11,124	11,124	
	10.7	140	1, 2, 3	7	140	Beauty and Barber	0	500	500	
	10.7	155	1, 2, 3	7	155	Social Services	0	101	101	
	10.7	160	1, 2, 3	7	160	Activities	0	1,071	1,071	
	10.7	165	1, 2, 3	7	165	Administration	0	1,089	1,089	
	10.7	166	1, 2, 3	7	166	Medical Records	0	187	187	
	10.7	170	1, 2, 3	7	170	Inservice Education - Nursing	0	47	47	
	10.7	175	1	7	N/A	Total - Square Feet	0	21,283	21,283	
	10.7	175	2	7	N/A	Total - Square Feet	0	20,732	20,732	
	10.7	175	3	7	N/A	Total - Square Feet	0	20,605	20,605	
To adjust correct square footage to agree with the provider's records in order to properly allocate indirect costs. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306										

Provider Name							Fiscal Period	Provider NPI		Adjustments
PALMCREST CARE AND REHABILITATION CENTER							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1568766848		10
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.				
<b>ADJUSTMENT TO REPORTED PATIENT DAYS</b>										
10	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 February 28, 2013 Report Date: March 21, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541	23,034	(354)	22,680