

**REPORT  
ON THE  
RATE SETTING AUDIT**

**SUN AIR CONVALESCENT HOSPITAL  
PANORAMA CITY, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1588651194**

**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: Cyrus Lam  
Auditor: Parith Rox Uch**



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



EDMUND G. BROWN JR.  
GOVERNOR

April 19, 2013

Glen Bennett, Administrator  
Sun Air Convalescent Hospital  
14857 Roscoe Boulevard  
Panorama City, CA 91402

SUN AIR CONVALESCENT HOSPITAL  
NATIONAL PROVIDER IDENTIFIER (NPI): 1588651194  
FISCAL PERIOD ENDED: DECEMBER 31, 2011

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

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

This audit report includes the:

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

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

Glen Bennett  
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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—Gardena at (310) 516-4757.

**Original Signed By:**

Maria Delgado, Chief  
Audits Section—Gardena  
Financial Audits Branch

Certified  
Enclosures

Glen Bennett  
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CC: Merle Sin, Controller  
U.S. SkilledServe  
4115 East Broadway, Suite A  
Long Beach, CA 90803

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

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility No.:  
206190770

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	\$ 2,453,808	\$ 72.64
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 604,736	\$ 17.90
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 554,331	\$ 16.41
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 442,631	\$ 13.10
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 17,150	\$ 0.51
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 21,855	\$ 0.65
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 98,585	\$ 2.92
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 405,479	\$ 12.00
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 529,782	\$ 15.68
11	Cost of Routine Service/Audited Total Costs	\$ 5,113,696.00	\$ 5,128,357	\$ 151.81
12	Total Patient Days (Adj 6)	33,784	33,781	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 151.36	\$ 151.81	
14	Overpayments (Adj )		\$ 0	
15	Medi-Cal Days (Adj 7)	29,255	29,263	
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:**  
SUN AIR CONVALESCENT HOSPITAL

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

**Provider NPI:**  
1588651194

**OSHPD Facility No.:**  
206190770

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:**  
SUN AIR CONVALESCENT HOSPITAL

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

**Provider NPI:**  
1588651194

**OSHPD Facility No.:**  
206190770

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	\$ 86,548	\$ 86,548		
160	Activities	88,155		\$ 88,155	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
<b>ANCILLARY SERVICES</b>					
075	Patient Supplies	30,389	0	0	30,389
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	2,279,105	86,548	88,155	2,453,808 *
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>\$ 2,484,197</b>	<b>\$ 86,548</b>	<b>\$ 88,155</b>	<b>\$ 2,484,197</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
INDIRECT CARE LABOR

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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	\$ 62,352	\$ 62,352										
010	Housekeeping	95,828	226	\$ 96,054									
060	Laundry and Linen	64,759	3,744	5,789	\$ 74,292								
065	Dietary	254,427	9,863	15,249	0	\$ 279,539							
155	Social Services	N/A	355	549	0	0	\$ 904						
160	Activities	N/A	1,724	2,665	0	0	0	\$ 4,389					
165	Administration	N/A	3,974	6,144	0	0	0	0	\$ 10,118	\$ 10,118			
166	Medical Records	78,659	1,240	1,917	0	0	0	0	81,817		\$ 81,817		
170	Inservice Education - Nursing	69,512	0	0	0	0	0	0	\$ 69,512				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies		601	929	0	0	0	0	0	1,529	91	733	\$ 2,352
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		1,560	2,412	0	0	0	0	0	3,972	419	3,388	7,779
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		47	72	0	0	0	0	0	119	233	1,880	2,232
083	Speech Pathology		1,147	1,773	0	0	0	0	0	2,919	74	602	3,595
085	Pharmacy		0	0	0	0	0	0	0	0	309	2,502	2,811
090	Laboratory		0	0	0	0	0	0	0	0	31	247	278
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	15	125	140
101	Subacute Care Ancillary Services		0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services		0	0	0	0	0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>													
105	Skilled Nursing Care		37,326	57,711	74,292	279,539	904	4,389	69,512	523,672	8,922	72,142	604,736
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		546	844	0	0	0	0	0	1,390	24	198	1,612
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 625,537</b>	<b>\$ 62,352</b>	<b>\$ 96,054</b>	<b>\$ 74,292</b>	<b>\$ 279,539</b>	<b>\$ 904</b>	<b>\$ 4,389</b>	<b>\$ 69,512</b>	<b>\$ 533,602</b>	<b>\$ 10,118</b>	<b>\$ 81,817</b>	<b>\$ 625,537</b>

\* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES  
OTHER - NONLABOR

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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	\$ 210,418	\$ 210,418										
010	Housekeeping	17,324	763	\$ 18,087									
060	Laundry and Linen	28,196	12,635	1,090	\$ 41,921								
065	Dietary	197,028	33,284	2,871	0	\$ 233,184							
155	Social Services	8,013	1,198	103	0	0	\$ 9,314						
160	Activities	3,616	5,817	502	0	0	0	\$ 9,935					
165	Administration	N/A	13,411	1,157	0	0	0	0		\$ 14,568	\$ 14,568		
166	Medical Records	3,690	4,185	361	0	0	0	0		8,236		\$ 8,236	
170	Inservice Education - Nursing	0	0	0	0	0	0	0	\$ -				
<b>ANCILLARY SERVICES</b>													
075	Patient Supplies	1,045	2,027	175	0	0	0	0	0	3,247	130	74	\$ 3,451
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	162,639	5,264	454	0	0	0	0	0	168,358	603	341	169,302
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	101,897	158	14	0	0	0	0	0	102,069	335	189	102,593
083	Speech Pathology	16,545	3,869	334	0	0	0	0	0	20,748	107	61	20,916
085	Pharmacy	136,464	0	0	0	0	0	0	0	136,464	445	252	137,161
090	Laboratory	13,488	0	0	0	0	0	0	0	13,488	44	25	13,557
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	6,805	0	0	0	0	0	0	0	6,805	22	13	6,840
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	103,039	125,964	10,867	41,921	233,184	9,314	9,935	0	534,223	12,845	7,262	554,331
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	3,043	1,843	159	0	0	0	0	0	5,044	35	20	5,100
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 1,013,250</b>	<b>\$ 210,418</b>	<b>\$ 18,087</b>	<b>\$ 41,921</b>	<b>\$ 233,184</b>	<b>\$ 9,314</b>	<b>\$ 9,935</b>	<b>\$ -</b>	<b>\$ 990,446</b>	<b>\$ 14,568</b>	<b>\$ 8,236</b>	<b>\$ 1,013,250</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Capital	Plant Ops	Hskpng	Laundry	Dietary	Soc Svcs	Activities
				Various	5	10	60	65	155	160
<b>GENERAL SERVICES</b>										
	Capital Related (excluding lines 40 & 45)	\$ 477,333	96%							
	Property Tax (line 40)	18,494	4%	\$ 495,827						
005	Plant Operations and Maintenance			18,941	\$ 18,941					
010	Housekeeping			1,730	69	\$ 1,799				
060	Laundry and Linen			28,635	1,137	108	\$ 29,880			
065	Dietary			75,434	2,996	286	0	\$ 78,716		
155	Social Services			2,714	108	10	0	0	\$ 2,832	
160	Activities			13,184	524	50	0	0	0	\$ 13,757
165	Administration			30,394	1,207	115	0	0	0	0
166	Medical Records			9,485	377	36	0	0	0	0
170	Inservice Education - Nursing			0	0	0	0	0	0	0
<b>ANCILLARY SERVICES</b>										
075	Patient Supplies			4,593	182	17	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			11,931	474	45	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			358	14	1	0	0	0	0
083	Speech Pathology			8,769	348	33	0	0	0	0
085	Pharmacy			0	0	0	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care			285,482	11,339	1,081	29,880	78,716	2,832	13,757
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			4,176	166	16	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	<b>\$ 495,827</b>	<b>100%</b>	<b>\$ 495,827</b>	<b>\$ 18,941</b>	<b>\$ 1,799</b>	<b>\$ 29,880</b>	<b>\$ 78,716</b>	<b>\$ 2,832</b>	<b>\$ 13,757</b>

\* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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 96% Of Total	Property Tax 4% Of Total
	<b>GENERAL SERVICES</b>									
	Capital Related (excluding lines 40 & 45)	\$ 477,333	96%							
	Property Tax (line 40)	18,494	4%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 31,717	\$ 31,717				
166	Medical Records				9,898		\$ 9,898			
170	Inservice Education - Nursing			\$ -						
	<b>ANCILLARY SERVICES</b>									
075	Patient Supplies			0	4,793	284	89	\$ 5,166	\$ 4,973	\$ 193
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	12,450	1,313	410	14,173	13,645	529
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	374	729	227	1,330	1,280	50
083	Speech Pathology			0	9,151	233	73	9,457	9,104	353
085	Pharmacy			0	0	970	303	1,273	1,225	47
090	Laboratory			0	0	96	30	126	121	5
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	48	15	63	61	2
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			0	423,087	27,966	8,727	459,781	442,631	17,150 *
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	4,358	77	24	4,458	4,292	166
145	Other Nonreimbursable			0	0	0	0	0	0	0
	<b>TOTAL</b>	\$ 495,827	100%	\$ -	\$ 454,212	\$ 31,717	\$ 9,898	\$ 495,827	\$ 477,333	\$ 18,494

\* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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. 50% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 9% of Total	Quality Assur. Fees 38% of Total	Caregiver Training 0% of Total
<b>GENERAL SERVICES</b>														
045	Property Insurance	\$ 3,586												
055	Interest - Other	108												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	597,133												
	Total Costs Allocable as Administration	600,827	50%											
167	CDPH Licensing Fees	24,786	2%											
168	Professional Liability Insurance	111,805	9%											
169	Quality Assurance Fees	459,855	38%											
174	Caregiver Training	0	0%											
	Total	1,197,273	100%						\$ 1,197,273					
<b>ANCILLARY SERVICES</b>														
075	Patient Supplies			\$ 30,389	\$ 1,529	\$ 3,247	\$ 4,793	\$ 39,958	10,721	\$ 5,380	\$ 222	\$ 1,001	\$ 4,118	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	3,972	168,358	12,450	184,780	49,576	24,879	1,026	4,630	19,041	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	119	102,069	374	102,561	27,517	13,809	570	2,570	10,569	0
083	Speech Pathology			0	2,919	20,748	9,151	32,818	8,805	4,419	182	822	3,382	0
085	Pharmacy			0	0	136,464	0	136,464	36,613	18,374	758	3,419	14,063	0
090	Laboratory			0	0	13,488	0	13,488	3,619	1,816	75	338	1,390	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	6,805	0	6,805	1,826	916	38	170	701	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			2,453,808	523,672	534,223	423,087	3,934,791	1,055,701	529,782	21,855	98,585	405,479	0
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0
<b>NONREIMBURSABLE</b>														
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	1,390	5,044	4,358	10,792	2,896	1,453	60	270	1,112	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	<b>SUBTOTAL</b>	\$ 1,197,273		\$ 2,484,197	\$ 533,602	\$ 990,446	\$ 454,212	\$ 4,462,457	\$ 1,197,273					
	Total Administrative Costs							\$ 1,197,273		\$ 600,827	\$ 24,786	\$ 111,805	\$ 459,855	\$ -
	Unit Cost Multiplier							0.26829905						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 91,935	\$ 22,804	\$ 41,615	\$ 156,354							
	<b>TOTAL FACILITY COSTS</b>							\$ 5,816,084						

\* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS	Plant Ops (SQ FT) 5	Hskpng (SQ FT) 10	Laundry (LBS) 60	Dietary (MEALS) 65	Soc Srvs (DIRECT EXP) 155	Activities (DIRECT EXP) 160	Inserv. Ed (DIRECT EXP) 170	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
		(Adj )	(Adj 5 )	(Adj 5 )	(Adj )	(Adj )	(Adj )	(Adj )	(Adj )		
	<b>GENERAL SERVICES</b>										
005	Plant Operations and Maintenance	635									
010	Housekeeping	58	58								
060	Laundry and Linen	960	960	960							
065	Dietary	2,529	2,529	2,529							
155	Social Services	91	91	91							
160	Activities	442	442	442							
165	Administration	1,019	1,019	1,019							
166	Medical Records	318	318	318							
170	Inservice Education - Nursing										
	<b>ANCILLARY SERVICES</b>										
075	Patient Supplies	154	154	154						39,958	39,958
077	Specialized Support Surfaces									0	0
080	Physical Therapy	400	400	400						184,780	184,780
081	Respiratory Therapy									0	0
082	Occupational Therapy	12	12	12						102,561	102,561
083	Speech Pathology	294	294	294						32,818	32,818
085	Pharmacy									136,464	136,464
090	Laboratory									13,488	13,488
095	Home Health Services									0	0
100	Other Ancillary Services									6,805	6,805
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	<b>ROUTINE SERVICES</b>										
105	Skilled Nursing Care	9,571	9,571	9,571	165,620	99,372	2,382,144	2,382,144	2,382,144	3,934,791	3,934,791
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	140	140	140						10,792	10,792
145	Other Nonreimbursable									0	0
	<b>TOTAL STATISTICS</b>	16,623	15,988	15,930	165,620	99,372	2,382,144	2,382,144	2,382,144	4,462,457	4,462,457
	TOTAL DIRECT SALARIES COSTS - SCH. 2						\$ 86,548	\$ 88,155			
	UNIT COST MULTIPLIER (DIRECT SALARIES)						0.036331977	0.037006579			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3		\$ 62,352	\$ 96,054	\$ 74,292	\$ 279,539	\$ 904	\$ 4,389	\$ 69,512	\$ 10,118	\$ 81,817
	UNIT COST MULTIPLIER (INDIRECT SALARIES)		3.89992494	6.02976746	0.44856602	2.81305793	0.00037932	0.00184243	0.02918044	0.00226744	0.01833444
	TOTAL INDIRECT OTHER COSTS - SCH. 4		\$ 210,418	\$ 18,087	\$ 41,921	\$ 233,184	\$ 9,314	\$ 9,935	\$ -	\$ 14,568	\$ 8,236
	UNIT COST MULTIPLIER (INDIRECT OTHER)		13.16099575	1.13542610	0.25311294	2.34657299	0.00390991	0.00417062	0.00000000	0.00326458	0.00184568
	TOTAL CAPITAL COSTS - SCH. 5	\$ 495,827	\$ 18,941	\$ 1,799	\$ 29,880	\$ 78,716	\$ 2,832	\$ 13,757	\$ -	\$ 31,717	\$ 9,898
	UNIT COST MULTIPLIER (CAPITAL COSTS)	29.82776875	1.18467808	0.11291412	0.18041509	0.79213499	0.00118902	0.00577522	0.00000000	0.00710746	0.00221803

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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	\$ 50,468	\$ 0	\$ 50,468	(Sch 3)
005	.20-.39	Fringe Benefits	6200	11,884	0	11,884	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	210,418	0	210,418	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 272,770	\$ 0	\$ 272,770	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 80,428	\$ 0	\$ 80,428	(Sch 3)
010	.20-.39	Fringe Benefits	6300	15,400	0	15,400	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	17,324	0	17,324	(Sch 4)
010		Housekeeping - Total	6300	\$ 113,152	\$ 0	\$ 113,152	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130		0	0	(Sch 5)
025		Depreciation: Equipment	7140		0	0	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	477,333	0	477,333	(Sch 5)
040		Property Taxes	7300	17,043	1,451	18,494	(Sch 5)
045		Property Insurance	7400	3,586	0	3,586	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	\$ 108	\$ 0	\$ 108	(Sch 6)
057		<b>Subtotal 005 - 055</b>		\$ 883,992	\$ 1,451	\$ 885,443	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 52,554	\$ 0	\$ 52,554	(Sch 3)
060	.20-.39	Fringe Benefits	6400	12,205	0	12,205	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	28,196	0	28,196	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 92,955	\$ 0	\$ 92,955	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 211,105	\$ 0	\$ 211,105	(Sch 3)
065	.20-.39	Fringe Benefits	6500	43,322	0	43,322	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	197,028	0	197,028	(Sch 4)
065		Dietary - Total	6500	\$ 451,455	\$ 0	\$ 451,455	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		<b>Ancillary Services</b>					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$ 25,438	\$ 0	\$ 25,438	(Sch 2)
075	.20-.39	Fringe Benefits	8100	4,951	0	4,951	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	1,045	0	1,045	(Sch 4)
075		Patient Supplies - Total	8100	\$ 31,434	\$ 0	\$ 31,434	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	\$	\$ 0	\$ 0	N/A
077	.20-.39	Fringe Benefits	8150		0	0	N/A
077	.79	Agency Staff	8150		0	0	N/A
077	.40-.99	Other - Nonlabor	8150		0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
080		Physical Therapy					
080	.01-.19	Salaries and Wages	8200	\$	\$ 0	\$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200		0	0	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	162,639	0	162,639	(Sch 4)
080		Physical Therapy - Total	8200	\$ 162,639	\$ 0	\$ 162,639	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	\$	\$ 0	\$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220		0	0	(Sch 2)
081	.79	Agency Staff	8220		0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220		0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 0	\$ 0	\$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$	\$ 0	\$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250		0	0	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	101,897	0	101,897	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 101,897	\$ 0	\$ 101,897	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$	\$ 0	\$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280		0	0	(Sch 2)
083	.79	Agency Staff	8280		0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	16,545	0	16,545	(Sch 4)
083		Speech Pathology - Total	8280	\$ 16,545	\$ 0	\$ 16,545	
085		Pharmacy					
085	.01-.19	Salaries and Wages	8300	\$	\$ 0	\$ 0	(Sch 2)
085	.20-.39	Fringe Benefits	8300		0	0	(Sch 2)
085	.79	Agency Staff	8300		0	0	(Sch 2)
085	.40-.99	Other - Nonlabor	8300	136,464	0	136,464	(Sch 4)
085		Pharmacy - Total	8300	\$ 136,464	\$ 0	\$ 136,464	
090		Laboratory					
090	.01-.19	Salaries and Wages	8400	\$	\$ 0	\$ 0	(Sch 2)
090	.20-.39	Fringe Benefits	8400		0	0	(Sch 2)
090	.79	Agency Staff	8400		0	0	(Sch 2)
090	.40-.99	Other - Nonlabor	8400	13,488	0	13,488	(Sch 4)
090		Laboratory - Total	8400	\$ 13,488	\$ 0	\$ 13,488	
095		Home Health Services					
095	.01-.19	Salaries and Wages	8800	\$	\$ 0	\$ 0	(Sch 2)
095	.20-.39	Fringe Benefits	8800		0	0	(Sch 2)
095	.79	Agency Staff	8800		0	0	(Sch 2)
095	.40-.99	Other - Nonlabor	8800		0	0	(Sch 4)
095		Home Health Services - Total	8800	\$ 0	\$ 0	\$ 0	
100		Other Ancillary Services					
100	.01-.19	Salaries and Wages	8900	\$	\$ 0	\$ 0	(Sch 2)
100	.20-.39	Fringe Benefits	8900		0	0	(Sch 2)
100	.79	Agency Staff	8900		0	0	(Sch 2)
100	.40-.99	Other - Nonlabor	8900	6,805	0	6,805	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 6,805	\$ 0	\$ 6,805	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
101		Subacute Care Ancillary Services					
101	.01-.19	Salaries and Wages	8100-8900	\$	\$ 0	\$ 0	(Sch 2)
101	.20-.39	Fringe Benefits	8100-8900		0	0	(Sch 2)
101	.79	Agency Staff	8100-8900		0	0	(Sch 2)
101	.40-.99	Other - Nonlabor	8100-8900		0	0	(Sch 4)
101		Subacute Care Ancillary Services - Total	8100-8900	\$ 0	\$ 0	\$ 0	
102		Subacute Care - Pediatric Ancillary Services					
102	.01-.19	Salaries and Wages	8100-8900	\$	\$ 0	\$ 0	(Sch 2)
102	.20-.39	Fringe Benefits	8100-8900		0	0	(Sch 2)
102	.79	Agency Staff	8100-8900		0	0	(Sch 2)
102	.40-.99	Other - Nonlabor	8100-8900		0	0	(Sch 4)
102		Subacute Care - Pediatric Ancillary Services - Total	8100-8900	\$ 0	\$ 0	\$ 0	
104		Subtotal 075 - 102		\$ 469,272	\$ 0	\$ 469,272	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,858,434	\$ 0	\$ 1,858,434	(Sch 2)
105	.20-.39	Fringe Benefits	6110	420,671	0	420,671	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	103,039	0	103,039	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 2,382,144	\$ 0	\$ 2,382,144	
110		Intermediate Care					
110	.01-.19	Salaries and Wages	6120	\$	\$ 0	\$ 0	
110	.20-.39	Fringe Benefits	6120		0	0	
110	.49	Agency Staff	6120		0	0	
110	.40-.99	Other - Nonlabor	6120		0	0	
110		Intermediate Care - Total	6120	\$ 0	\$ 0	\$ 0	(Sch 2)
115		Mentally Disordered Care					
115	.01-.19	Salaries and Wages	6130	\$	\$ 0	\$ 0	
115	.20-.39	Fringe Benefits	6130		0	0	
115	.49	Agency Staff	6130		0	0	
115	.40-.99	Other - Nonlabor	6130		0	0	
115		Mentally Disordered Care - Total	6130	\$ 0	\$ 0	\$ 0	(Sch 2)
120		Developmentally Disabled Care					
120	.01-.19	Salaries and Wages	6140	\$	\$ 0	\$ 0	
120	.20-.39	Fringe Benefits	6140		0	0	
120	.49	Agency Staff	6140		0	0	
120	.40-.99	Other - Nonlabor	6140		0	0	
120		Developmentally Disabled Care - Total	6140	\$ 0	\$ 0	\$ 0	(Sch 2)
125		Subacute Care					
125	.01-.19	Salaries and Wages	6150	\$	\$ 0	\$ 0	(Sch 2)
125	.20-.39	Fringe Benefits	6150		0	0	(Sch 2)
125	.49	Agency Staff	6150		0	0	(Sch 2)
125	.40-.99	Other - Nonlabor	6150		0	0	(Sch 4)
125		Subacute Care - Total	6150	\$ 0	\$ 0	\$ 0	
126		Subacute Care - Pediatric					
126	.01-.19	Salaries and Wages	6160	\$	\$ 0	\$ 0	(Sch 2)
126	.20-.39	Fringe Benefits	6160		0	0	(Sch 2)
126	.49	Agency Staff	6160		0	0	(Sch 2)
126	.40-.99	Other - Nonlabor	6160		0	0	(Sch 4)
126		Subacute Care - Pediatric - Total	6160	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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
140	.20-.39	Fringe Benefits	8900		0	0
140	.49	Agency Staff	8900		0	0
140	.40-.99	Other - Nonlabor	8900	3,043	0	3,043
140		Beauty and Barber - Total	8900	\$ 3,043	\$ 0	\$ 3,043
						(Sch 2)
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$	\$ 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>		\$ 2,385,187	\$ 0	\$ 2,385,187
						(Sch 2)
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 71,938	\$ 0	\$ 71,938
155	.20-.39	Fringe Benefits	6600	14,610	0	14,610
155	.49	Agency Staff	6600		0	0
155	.40-.99	Other - Nonlabor	6600	8,013	0	8,013
155		Social Services - Total	6600	\$ 94,561	\$ 0	\$ 94,561
						(Sch 2)

## SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:  
SUN AIR CONVALESCENT HOSPITAL

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

Provider NPI:  
1588651194

OSHPD Facility Number:  
206190770

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	\$ 69,128	\$ 0	\$ 69,128	(Sch 2)
160	.20-.39	Fringe Benefits	6700	19,027	0	19,027	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	3,616	0	3,616	(Sch 4)
160		Activities - Total	6700	\$ 91,771	\$ 0	\$ 91,771	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 358,936	\$ 0	\$ 358,936	(Sch 6)
165	.20-.39	Fringe Benefits	6900	92,473	0	92,473	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	154,254	(8,530)	145,724	(Sch 6)
165		Administration - Total	6900	\$ 605,663	\$ (8,530)	\$ 597,133	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 63,596	\$ 0	\$ 63,596	(Sch 3)
166	.20-.39	Fringe Benefits	6900	15,063	0	15,063	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	3,690	0	3,690	(Sch 4)
166		Medical Records - Total	6900	\$ 82,349	\$ 0	\$ 82,349	
167		CDPH Licensing Fees	6900	\$ 29,120	\$ (4,334)	\$ 24,786	(Sch 6)
168		Professional Liability Insurance	6900	\$ 111,805	\$ 0	\$ 111,805	(Sch 6)
169		Quality Assurance Fees	6900	\$ 459,855	\$ 0	\$ 459,855	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 60,713	\$ 0	\$ 60,713	(Sch 3)
170	.20-.39	Fringe Benefits	6800	8,799	0	8,799	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800		0	0	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 69,512	\$ 0	\$ 69,512	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	\$	\$ 0	\$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900		0	0	(Sch 6)
174	.49	Agency Staff	6900		0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900		0	0	(Sch 6)
174		Caregiver Training - Total	6900	\$ 0	\$ 0	\$ 0	
		<b>Subtotal 155 - 174</b>		\$ 1,544,636	\$ (12,864)	\$ 1,531,772	
200		<b>Total</b>		\$ 5,827,497	\$ (11,413)	\$ 5,816,084	
210	0.24	Total Facility Group Health Insurance (Adj. 1) *	6900			\$ 12,240	

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

Provider Name:  
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Provider NPI:  
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Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Line No.	Sub No.	TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ
005	1	Plant Operations and Maintenance - Salaries and Wages	0						
005	2	Plant Operations and Maintenance - Fringe Benefits	0						
005	3	Plant Operations and Maintenance - Agency Staff	0						
005	4	Plant Operations and Maintenance - Other - Nonlabor	0						
010	1	Housekeeping - Salaries and Wages	0						
010	2	Housekeeping - Fringe Benefits	0						
010	3	Housekeeping - Agency Staff	0						
010	4	Housekeeping - Other - Nonlabor	0						
015	4	Depreciation: Buildings and Improvements	0						
020	4	Depreciation: Leasehold Improvements	0						
025	4	Depreciation: Equipment	0						
030	4	Depreciation and Amortization - Other	0						
035	4	Leases and Rentals	0						
040	4	Property Taxes	1,451	1,451					
045	4	Property Insurance	0						
050	4	Interest - Property, Plant, and Equipment	0						
055	4	Interest - Other	0						
060	1	Laundry and Linen - Salaries and Wages	0						
060	2	Laundry and Linen - Fringe Benefits	0						
060	3	Laundry and Linen - Agency Staff	0						
060	4	Laundry and Linen - Other - Nonlabor	0						
065	1	Dietary - Salaries and Wages	0						
065	2	Dietary - Fringe Benefits	0						
065	3	Dietary - Agency Staff	0						
065	4	Dietary - Other - Nonlabor	0						
070	4	Provision for Bad Debts	0						
075	1	Patient Supplies - Salaries and Wages	0						
075	2	Patient Supplies - Fringe Benefits	0						
075	3	Patient Supplies - Agency Staff	0						
075	4	Patient Supplies - Other - Nonlabor	0						
077	1	Specialized Support Surfaces - Salaries and Wages	0						
077	2	Specialized Support Surfaces - Fringe Benefits	0						
077	3	Specialized Support Surfaces - Agency Staff	0						
077	4	Specialized Support Surfaces - Other - Nonlabor	0						
080	1	Physical Therapy - Salaries and Wages	0						
080	2	Physical Therapy - Fringe Benefits	0						
080	3	Physical Therapy - Agency Staff	0						
080	4	Physical Therapy - Other - Nonlabor	0						
081	1	Respiratory Therapy - Salaries and Wages	0						
081	2	Respiratory Therapy - Fringe Benefits	0						
081	3	Respiratory Therapy - Agency Staff	0						
081	4	Respiratory Therapy - Other - Nonlabor	0						
082	1	Occupational Therapy - Salaries and Wages	0						
082	2	Occupational Therapy - Fringe Benefits	0						
082	3	Occupational Therapy - Agency Staff	0						
082	4	Occupational Therapy - Other - Nonlabor	0						
083	1	Speech Pathology - Salaries and Wages	0						
083	2	Speech Pathology - Fringe Benefits	0						
083	3	Speech Pathology - Agency Staff	0						

Provider Name:  
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Provider NPI:  
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OSHPD Facility Number:  
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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	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ
083	4	Speech Pathology - Other - Nonlabor	0							
085	1	Pharmacy - Salaries and Wages	0							
085	2	Pharmacy - Fringe Benefits	0							
085	3	Pharmacy - Agency Staff	0							
085	4	Pharmacy - Other - Nonlabor	0							
090	1	Laboratory - Salaries and Wages	0							
090	2	Laboratory - Fringe Benefits	0							
090	3	Laboratory - Agency Staff	0							
090	4	Laboratory - Other - Nonlabor	0							
095	1	Home Health Services - Salaries and Wages	0							
095	2	Home Health Services - Fringe Benefits	0							
095	3	Home Health Services - Agency Staff	0							
095	4	Home Health Services - Other - Nonlabor	0							
100	1	Other Ancillary Services - Salaries and Wages	0							
100	2	Other Ancillary Services - Fringe Benefits	0							
100	3	Other Ancillary Services - Agency Staff	0							
100	4	Other Ancillary Services - Other - Nonlabor	0							
101	1	Subacute Care Ancillary Services - Salaries and Wages	0							
101	2	Subacute Care Ancillary Services - Fringe Benefits	0							
101	3	Subacute Care Ancillary Services - Agency Staff	0							
101	4	Subacute Care Ancillary Services - Other - Nonlabor	0							
102	1	Subacute Pediatric Ancillary Services - Salaries and Wages	0							
102	2	Subacute Pediatric Ancillary Services - Fringe Benefits	0							
102	3	Subacute Pediatric Ancillary Services - Agency Staff	0							
102	4	Subacute Pediatric Ancillary Services - Other - Nonlabor	0							
105	1	Skilled Nursing Care - Salaries and Wages	0							
105	2	Skilled Nursing Care - Fringe Benefits	0							
105	3	Skilled Nursing Care - Agency Staff	0							
105	4	Skilled Nursing Care - Other - Nonlabor	0							
110	1	Intermediate Care - Salaries and Wages	0							
110	2	Intermediate Care - Fringe Benefits	0							
110	3	Intermediate Care - Agency Staff	0							
110	4	Intermediate Care - Other - Nonlabor	0							
115	1	Mentally Disordered Care - Salaries and Wages	0							
115	2	Mentally Disordered Care - Fringe Benefits	0							
115	3	Mentally Disordered Care - Agency Staff	0							
115	4	Mentally Disordered Care - Other - Nonlabor	0							
120	1	Developmentally Disabled Care - Salaries and Wages	0							
120	2	Developmentally Disabled Care - Fringe Benefits	0							
120	3	Developmentally Disabled Care - Agency Staff	0							
120	4	Developmentally Disabled Care - Other - Nonlabor	0							
125	1	Subacute Care - Salaries and Wages	0							
125	2	Subacute Care - Fringe Benefits	0							
125	3	Subacute Care - Agency Staff	0							
125	4	Subacute Care - Other - Nonlabor	0							
126	1	Subacute Care - Pediatric - Salaries and Wages	0							
126	2	Subacute Care - Pediatric - Fringe Benefits	0							
126	3	Subacute Care - Pediatric - Agency Staff	0							
126	4	Subacute Care - Pediatric - Other - Nonlabor	0							

Provider Name:  
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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	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ
128	1	Transitional Inpatient Care - Salaries and Wages	0							
128	2	Transitional Inpatient Care - Fringe Benefits	0							
128	3	Transitional Inpatient Care - Agency Staff	0							
128	4	Transitional Inpatient Care - Other - Nonlabor	0							
130	1	Hospice Inpatient Care - Salaries and Wages	0							
130	2	Hospice Inpatient Care - Fringe Benefits	0							
130	3	Hospice Inpatient Care - Agency Staff	0							
130	4	Hospice Inpatient Care - Other - Nonlabor	0							
135	1	Other Routine Services - Salaries and Wages	0							
135	2	Other Routine Services - Fringe Benefits	0							
135	3	Other Routine Services - Agency Staff	0							
135	4	Other Routine Services - Other - Nonlabor	0							
139	1	Residential Care - Salaries and Wages	0							
139	2	Residential Care - Fringe Benefits	0							
139	3	Residential Care - Agency Staff	0							
139	4	Residential Care - Other - Nonlabor	0							
140	1	Beauty and Barber - Salaries and Wages	0							
140	2	Beauty and Barber - Fringe Benefits	0							
140	3	Beauty and Barber - Agency Staff	0							
140	4	Beauty and Barber - Other - Nonlabor	0							
145	1	Other Nonreimbursable - Salaries and Wages	0							
145	2	Other Nonreimbursable - Fringe Benefits	0							
145	3	Other Nonreimbursable - Agency Staff	0							
145	4	Other Nonreimbursable - Other - Nonlabor	0							
155	1	Social Services - Salaries and Wages	0							
155	2	Social Services - Fringe Benefits	0							
155	3	Social Services - Agency Staff	0							
155	4	Social Services - Other - Nonlabor	0							
160	1	Activities - Salaries and Wages	0							
160	2	Activities - Fringe Benefits	0							
160	3	Activities - Agency Staff	0							
160	4	Activities - Other - Nonlabor	0							
165	1	Administration - Salaries and Wages	0							
165	2	Administration - Fringe Benefits	0							
165	3	Administration - Agency Staff	0							
165	4	Administration - Other - Nonlabor	(8,530)	4,334		(12,864)				
166	1	Medical Records - Salaries and Wages	0							
166	2	Medical Records - Fringe Benefits	0							
166	3	Medical Records - Agency Staff	0							
166	4	Medical Records - Other - Nonlabor	0							
167	4	CDPH Licensing Fees	(4,334)	(4,334)						
168	4	Professional Liability Insurance	0							
169	4	Quality Assurance Fees	0							
170	1	Inservice Education - Nursing - Salaries and Wages	0							
170	2	Inservice Education - Nursing - Fringe Benefits	0							
170	3	Inservice Education - Nursing - Agency Staff	0							
170	4	Inservice Education - Nursing - Other - Nonlabor	0							
174	1	Caregiver Training - Salaries and Wages	0							
174	2	Caregiver Training - Fringe Benefits	0							



Provider Name							Fiscal Period			Provider NPI		Adjustments
SUN AIR CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1588651194		7
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		Group Health Insurance To include Group Health Insurance cost in the audit report for informational purpose only 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			\$0	\$12,240	\$12,240

Provider Name							Fiscal Period		Provider NPI		Adjustments
SUN AIR CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1588651194		7
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
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>											
2	10.5	167	4	8A-1	167	4	Administration - CDPH Licensing Fees:		\$29,120	(\$4,334)	\$24,786
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabo		154,254	4,334	158,588 *
							To reclassify Non-CDPH Licensing Fees 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 2302.6				

\*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period		Provider NPI		Adjustments
SUN AIR CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011		1588651194		7
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
<b>ADJUSTMENTS TO REPORTED COSTS</b>											
3	10.5	040	4	8A-1	040	4	Property Taxes To adjust the reported property tax expense to agree with the audite financial statements 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$17,043	\$1,451	\$18,494
4	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabo To adjust reported home office costs to agree with the U.S. Skillserv Home Office Audit Report for fiscal period ended December 31, 2011 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		* \$158,588	(\$12,864)	\$145,724

\*Balance carried forward from prior/to subsequent adjustment

Provider Name							Fiscal Period	Provider NPI		Adjustments
SUN AIR CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1588651194		7
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.				
<b><u>ADJUSTMENT TO REPORTED STATISTICS</u></b>										
5	10.7	060	3	7	060		Laundry and Linen (Square Feet)	0	960	960
	10.7	165	2,3	7	165		Administration	0	1,019	1,019
	10.7	175	2	7	N/A		Total - Square Feet	14,969	1,019	15,988
	10.7	175	3	7	N/A		Total - Square Feet	13,951	1,979	15,930
							To adjust square footage statistics to agree with the provider's records in order to properly allocate indirect costs. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306			

Provider Name							Fiscal Period	Provider NPI		Adjustments
SUN AIR CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1588651194		7
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 PATIENT DAYS</b>										
6	4.1	5	6	1	12		Total Patient Days To adjust total patient days to agree with the provider's patient census reports. 42 CFR 413.20, 413.24 and 413.50 CMS Pub. 15-1, Sections 2205, 2300 and 2304	33,784	(3)	33,781
7	4.1	5	2	1	15		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 August 31, 2012 Report Date: September 18, 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	29,255	8	29,263