

**REPORT
ON THE
RATE SETTING AUDIT**

**PACIFIC HILLS MANOR
MORGAN HILL, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1124154422**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Margaret A. Varho
Audit Supervisor: Felipe Avila
Auditor: Favio Arrieta**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

Date: May 9, 2013

Carol Sparks
Director of Reimbursement
Covenant Care, Inc.
27071 Aliso Creek Road, Suite 100
Aliso Viejo, CA 92656

PACIFIC HILLS MANOR
NATIONAL PROVIDER IDENTIFIER (NPI) 1124154422
FISCAL PERIOD ENDED DECEMBER 31, 2011

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

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

This audit report includes the:

1. Summary of Audited Facility Cost per Patient Day and supporting schedules
2. Audit adjustments that include a summary of the total due the State in the amount of \$21,981, which resulted from Medi-Cal overpayments

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

Carol Sparks
Page 2

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

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

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

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

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

United States Postal Service (USPS)

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

Courier (UPS, FedEx, etc.)

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

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

If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

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

Certified

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility No.:
206434001

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
SKILLED NURSING CARE				
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	\$ N/A	\$ 4,178,611	\$ 122.71
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 982,541	\$ 28.85
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 695,739	\$ 20.43
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 695,265	\$ 20.42
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 48,594	\$ 1.43
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 18,462	\$ 0.54
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 61,265	\$ 1.80
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 334,791	\$ 9.83
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 956,922	\$ 28.10
11	Cost of Routine Service/Audited Total Costs	\$ 7,976,115	\$ 7,972,189	\$ 234.10
12	Total Patient Days (Adj)	34,054	34,054	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 234.22	\$ 234.10	
14	Overpayments (Adj 7)	\$ 0	\$ (21,981)	
15	Medi-Cal Days (Adj 6)	19,004	18,823	
16	Medi-Cal Managed Care Days (Adj)		0	
INTERMEDIATE CARE				
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
18	Total Patient Days (Adj)	0	0	
19	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
20	Overpayments (Adj)	\$ 0	\$ 0	
MENTALLY DISORDERED CARE				
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
22	Total Patient Days (Adj)	0	0	
23	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
24	Overpayments (Adj)	\$ 0	\$ 0	
DEVELOPMENTALLY DISABLED CARE				
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
26	Total Patient Days (Adj)	0	0	
27	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
28	Overpayments (Adj)	\$ 0	\$ 0	
SUBACUTE CARE				
29	Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)	\$ N/A	\$ 0	\$ 0.00
30	Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)	\$ N/A	\$ 0	\$ 0.00
31	Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27)	\$ N/A	\$ 0	\$ 0.00
32	Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)	\$ N/A	\$ 0	\$ 0.00
33	Property Taxes (Subacute Care Sch. 1, Ln. 29)	\$ N/A	\$ 0	\$ 0.00
34	CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)	\$ N/A	\$ 0	\$ 0.00
35	Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)	\$ N/A	\$ 0	\$ 0.00
36	Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)	\$ N/A	\$ 0	\$ 0.00
37	Caregiver Training (Subacute Care Sch. 1, Ln. 33)	\$ N/A	\$ 0	\$ 0.00
38	Cost of Administration (Subacute Care Sch.1, Ln. 34)	\$ N/A	\$ 0	\$ 0.00
39	Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)	\$ 0	\$ 0	\$ 0.00
40	Total Patient Days (Subacute Care Sch. 1, Ln. 36)	0	0	
41	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
42	Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)	\$ 0	\$ 0	

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility No.:
206434001

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
SUBACUTE CARE - PEDIATRIC				
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	
TRANSITIONAL INPATIENT CARE				
49	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
50	Total Patient Days (Adj)	0	0	
51	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
52	Overpayments (Adj)	\$ 0	\$ 0	
HOSPICE INPATIENT CARE				
53	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
54	Total Patient Days (Adj)	0	0	
55	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
56	Overpayments (Adj)	\$ 0	\$ 0	
OTHER ROUTINE SERVICES				
57	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$ 0	\$ 0	
58	Total Patient Days (Adj)	0	0	
59	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
60	Overpayments (Adj)	\$ 0	\$ 0	

**ALLOCATION OF GENERAL SERVICES
DIRECT CARE LABOR**

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility No.:
206434001

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs	Activities	Total
			155	160	
	GENERAL SERVICES				
005	Plant Operations and Maintenance				
010	Housekeeping				
060	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 235,321	\$ 235,321		
160	Activities	156,858		\$ 156,858	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
	ANCILLARY SERVICES				
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
	ROUTINE SERVICES				
105	Skilled Nursing Care	3,786,432	235,321	156,858	4,178,611
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
	NONREIMBURSABLE				
139	Residential Care	0	0	0	0
140	Beauty and Barber	0	0	0	0
145	Other Nonreimbursable	0	0	0	0
	TOTAL	\$ 4,178,611	\$ 235,321	\$ 156,858	\$ 4,178,611

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
PACIFIC HILLS MANOR

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 101,615	\$ 101,615										
010	Housekeeping	224,690	217	\$ 224,907									
060	Laundry and Linen	87,298	2,944	6,531	\$ 96,773								
065	Dietary	428,499	13,147	29,160	0	\$ 470,806							
155	Social Services	N/A	532	1,181	0	0	\$ 1,713						
160	Activities	N/A	826	1,832	0	0	0	\$ 2,657					
165	Administration	N/A	6,481	14,375	0	0	0	0		\$ 20,856	\$ 20,856		
166	Medical Records	83,542	858	1,904	0	0	0	0		86,304		\$ 86,304	
170	Inservice Education - Nursing	117,043	326	723	0	0	0	0	\$ 118,092				
ANCILLARY SERVICES													
075	Patient Supplies		945	2,097	0	0	0	0	0	3,042	277	1,145	\$ 4,464
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		4,552	10,098	0	0	0	0	0	14,650	2,072	8,573	25,295
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		2,086	4,627	0	0	0	0	0	6,713	1,818	7,522	16,052
083	Speech Pathology		793	1,759	0	0	0	0	0	2,552	227	939	3,718
085	Pharmacy		0	0	0	0	0	0	0	0	1,098	4,545	5,643
090	Laboratory		0	0	0	0	0	0	0	0	133	552	685
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	85	352	437
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
ROUTINE SERVICES													
105	Skilled Nursing Care		66,804	148,175	96,773	470,806	1,713	2,657	118,092	905,020	15,088	62,433	982,541 *
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 *
NONREIMBURSABLE													
139	Residential Care		0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber		1,103	2,446	0	0	0	0	0	3,549	59	243	3,851
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 1,042,687	\$ 101,615	\$ 224,907	\$ 96,773	\$ 470,806	\$ 1,713	\$ 2,657	\$ 118,092	\$ 935,527	\$ 20,856	\$ 86,304	\$ 1,042,687

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
PACIFIC HILLS MANOR

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 189,401	\$ 189,401										
010	Housekeeping	73,066	405	\$ 73,471									
060	Laundry and Linen	23,713	5,488	2,133	\$ 31,335								
065	Dietary	213,009	24,504	9,526	0	\$ 247,039							
155	Social Services	20,895	992	386	0	0	\$ 22,273						
160	Activities	29,200	1,539	598	0	0	0	\$ 31,337					
165	Administration	N/A	12,080	4,696	0	0	0	0		\$ 16,776	\$ 16,776		
166	Medical Records	35,750	1,600	622	0	0	0	0		37,972		\$ 37,972	
170	Inservice Education - Nursing	0	608	236	0	0	0	0	\$ 844				
ANCILLARY SERVICES													
075	Patient Supplies	104,826	1,762	685	0	0	0	0	0	107,273	223	504	\$ 107,999
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	820,147	8,485	3,299	0	0	0	0	0	831,931	1,666	3,772	837,369
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	746,440	3,888	1,512	0	0	0	0	0	751,840	1,462	3,309	756,611
083	Speech Pathology	85,698	1,478	575	0	0	0	0	0	87,751	183	413	88,347
085	Pharmacy	468,786	0	0	0	0	0	0	0	468,786	883	2,000	471,669
090	Laboratory	56,886	0	0	0	0	0	0	0	56,886	107	243	57,236
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	36,314	0	0	0	0	0	0	0	36,314	68	155	36,537
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
ROUTINE SERVICES													
105	Skilled Nursing Care	150,386	124,516	48,405	31,335	247,039	22,273	31,337	844	656,134	12,136	27,469	695,739 *
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 *
NONREIMBURSABLE													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber	9,585	2,056	799	0	0	0	0	0	12,440	47	107	12,594
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 3,064,102	\$ 189,401	\$ 73,471	\$ 31,335	\$ 247,039	\$ 22,273	\$ 31,337	\$ 844	\$ 3,009,354	\$ 16,776	\$ 37,972	\$ 3,064,102

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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
GENERAL SERVICES										
	Capital Related (excluding lines 40 & 45)	\$ 784,290	93%							
	Property Tax (line 40)	54,816	7%	\$ 839,106						
005	Plant Operations and Maintenance			14,634	\$ 14,634					
010	Housekeeping			1,763	31	\$ 1,794				
060	Laundry and Linen			23,890	424	52	\$ 24,366			
065	Dietary			106,668	1,893	233	0	\$ 108,794		
155	Social Services			4,320	77	9	0	0	\$ 4,406	
160	Activities			6,700	119	15	0	0	0	\$ 6,833
165	Administration			52,585	933	115	0	0	0	0
166	Medical Records			6,964	124	15	0	0	0	0
170	Inservice Education - Nursing			2,645	47	6	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			7,670	136	17	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			36,937	656	81	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			16,926	300	37	0	0	0	0
083	Speech Pathology			6,435	114	14	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
ROUTINE SERVICES										
105	Skilled Nursing Care			542,023	9,621	1,182	24,366	108,794	4,406	6,833
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
NONREIMBURSABLE										
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			8,948	159	20	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 839,106	100%	\$ 839,106	\$ 14,634	\$ 1,794	\$ 24,366	\$ 108,794	\$ 4,406	\$ 6,833

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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 93% Of Total	Property Tax 7% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 784,290	93%							
	Property Tax (line 40)	54,816	7%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 53,633	\$ 53,633				
166	Medical Records				7,103		\$ 7,103			
170	Inservice Education - Nursing			\$ 2,697						
	ANCILLARY SERVICES									
075	Patient Supplies			0	7,822	712	94	\$ 8,628	\$ 8,065	\$ 564
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	37,673	5,328	706	43,706	40,851	2,855
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	17,263	4,674	619	22,556	21,083	1,474
083	Speech Pathology			0	6,564	584	77	7,224	6,753	472
085	Pharmacy			0	0	2,824	374	3,198	2,989	209
090	Laboratory			0	0	343	45	388	363	25
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	219	29	248	232	16
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
	ROUTINE SERVICES									
105	Skilled Nursing Care			2,697	699,922	38,798	5,138	743,859	695,265	48,594
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
	NONREIMBURSABLE									
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			0	9,126	151	20	9,297	8,690	607
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 839,106	100%	\$ 2,697	\$ 778,370	\$ 53,633	\$ 7,103	\$ 839,106	\$ 784,290	\$ 54,816

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
PACIFIC HILLS MANOR

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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. 70% of Total	DPH Licensing Fees 1% of Total	Professional Liability Ins. 4% of Total	Quality Assur. Fees 24% of Total	Caregiver Training 0% of Total
	GENERAL SERVICES													
045	Property Insurance	\$ 17,212												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	1,305,583												
	Total Costs Allocable as Administration	1,322,795	70%											
167	CDPH Licensing Fees	25,521	1%											
168	Professional Liability Insurance	84,689	4%											
169	Quality Assurance Fees	462,796	24%											
174	Caregiver Training	0	0%											
	Total	1,895,801	100%						\$ 1,895,801					
	ANCILLARY SERVICES													
075	Patient Supplies			\$ -	\$ 3,042	\$ 107,273	\$ 7,822	\$ 118,137	25,159	\$ 17,555	\$ 339	\$ 1,124	\$ 6,142	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	14,650	831,931	37,673	884,254	188,317	131,398	2,535	8,412	45,971	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	6,713	751,840	17,263	775,816	165,223	115,284	2,224	7,381	40,334	0
083	Speech Pathology			0	2,552	87,751	6,564	96,867	20,629	14,394	278	922	5,036	0
085	Pharmacy			0	0	468,786	0	468,786	99,836	69,660	1,344	4,460	24,372	0
090	Laboratory			0	0	56,886	0	56,886	12,115	8,453	163	541	2,957	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	36,314	0	36,314	7,734	5,396	104	345	1,888	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
	ROUTINE SERVICES													
105	Skilled Nursing Care			4,178,611	905,020	656,134	699,922	6,439,687	1,371,439	956,922	18,462	61,265	334,791	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
	NONREIMBURSABLE													
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	3,549	12,440	9,126	25,115	5,349	3,732	72	239	1,306	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	\$ 1,895,801		\$ 4,178,611	\$ 935,527	\$ 3,009,354	\$ 778,370	\$ 8,901,862	\$ 1,895,801					
	Total Administrative Costs							\$ 1,895,801		\$ 1,322,795	\$ 25,521	\$ 84,689	\$ 462,796	\$ -
	Unit Cost Multiplier							0.21296679						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 107,160	\$ 54,748	\$ 60,736	\$ 222,644							
	TOTAL FACILITY COSTS							\$ 11,020,307						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
PACIFIC HILLS MANOR

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj)	Plant Ops (SQ FT) 5 (Adj)	Hskpng (SQ FT) 10 (Adj)	Laundry (LBS) 60 (Adj)	Dietary (MEALS) 65 (Adj)	Soc Svcs (DIRECT EXP) 155 (Adj)	Activities (DIRECT EXP) 160 (Adj)	Inserv. Ed (DIRECT EXP) 170 (Adj)	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	GENERAL SERVICES										
005	Plant Operations and Maintenance	332									
010	Housekeeping	40	40								
060	Laundry and Linen	542	542	542							
065	Dietary	2,420	2,420	2,420							
155	Social Services	98	98	98							
160	Activities	152	152	152							
165	Administration	1,193	1,193	1,193							
166	Medical Records	158	158	158							
170	Inservice Education - Nursing	60	60	60							
	ANCILLARY SERVICES										
075	Patient Supplies	174	174	174						118,137	118,137
077	Specialized Support Surfaces									0	0
080	Physical Therapy	838	838	838						884,254	884,254
081	Respiratory Therapy									0	0
082	Occupational Therapy	384	384	384						775,816	775,816
083	Speech Pathology	146	146	146						96,867	96,867
085	Pharmacy									468,786	468,786
090	Laboratory									56,886	56,886
095	Home Health Services									0	0
100	Other Ancillary Services									36,314	36,314
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	12,297	12,297	12,297	68,108	101,460	3,936,818	3,936,818	3,936,818	6,439,687	6,439,687
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
	NONREIMBURSABLE										
139	Residential Care									0	0
140	Beauty and Barber	203	203	203						25,115	25,115
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	19,037	18,705	18,665	68,108	101,460	3,936,818	3,936,818	3,936,818	8,901,862	8,901,862
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 235,321 0.059774417	\$ 156,858 0.039843854			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 101,615 5.43250468	\$ 224,907 12.04968123	\$ 96,773 1.42088073	\$ 470,806 4.64031037	\$ 1,713 0.00043519	\$ 2,657 0.00067499	\$ 118,092 0.02999680	\$ 20,856 0.00234291	\$ 86,304 0.00969507
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 189,401 10.12568832	\$ 73,471 3.93629936	\$ 31,335 0.46007220	\$ 247,039 2.43484142	\$ 22,273 0.00565763	\$ 31,337 0.00796009	\$ 844 0.00021432	\$ 16,776 0.00188454	\$ 37,972 0.00426560
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 839,106 44.07763828	\$ 14,634 0.78234568	\$ 1,794 0.09613712	\$ 24,366 0.35775853	\$ 108,794 1.07228280	\$ 4,406 0.00111910	\$ 6,833 0.00173575	\$ 2,697 0.00068516	\$ 53,633 0.00602488	\$ 7,103 0.00079793

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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	\$ 78,248	\$ 0	\$ 78,248	(Sch 3)
005	.20-.39	Fringe Benefits	6200	23,367	0	23,367	(Sch 3)
005	.79	Agency Staff	6200	0	0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	189,401	0	189,401	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 291,016	\$ 0	\$ 291,016	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 174,181	\$ 0	\$ 174,181	(Sch 3)
010	.20-.39	Fringe Benefits	6300	50,509	0	50,509	(Sch 3)
010	.79	Agency Staff	6300	0	0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	73,066	0	73,066	(Sch 4)
010		Housekeeping - Total	6300	\$ 297,756	\$ 0	\$ 297,756	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 0	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	16,610	0	16,610	(Sch 5)
025		Depreciation: Equipment	7140	43,107	266	43,373	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	0	0	0	(Sch 5)
035		Leases and Rentals	7200	687,425	0	687,425	(Sch 5)
040		Property Taxes	7300	54,816	0	54,816	(Sch 5)
045		Property Insurance	7400	17,212	0	17,212	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500	0	36,882	36,882	(Sch 5)
055		Interest - Other	7600	\$ 36,882	\$ (36,882)	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 1,444,824	\$ 266	\$ 1,445,090	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 64,078	\$ 0	\$ 64,078	(Sch 3)
060	.20-.39	Fringe Benefits	6400	23,220	0	23,220	(Sch 3)
060	.79	Agency Staff	6400	0	0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	23,713	0	23,713	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 111,011	\$ 0	\$ 111,011	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 325,362	\$ 0	\$ 325,362	(Sch 3)
065	.20-.39	Fringe Benefits	6500	103,137	0	103,137	(Sch 3)
065	.79	Agency Staff	6500	0	0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	213,009	0	213,009	(Sch 4)
065		Dietary - Total	6500	\$ 641,508	\$ 0	\$ 641,508	
070		Provision for Bad Debts	7700	\$ 0	0	\$ 0	
		Ancillary Services					
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	90,175	14,651	104,826	(Sch 4)
075		Patient Supplies - Total	8100	\$ 90,175	\$ 14,651	\$ 104,826	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	\$ 0	\$ 0	\$ 0	N/A
077	.20-.39	Fringe Benefits	8150	0	0	0	N/A
077	.79	Agency Staff	8150	0	0	0	N/A
077	.40-.99	Other - Nonlabor	8150	0	0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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	820,147	0	820,147	(Sch 4)
080		Physical Therapy - Total	8200	\$ 820,147	\$ 0	\$ 820,147	
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	746,440	0	746,440	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 746,440	\$ 0	\$ 746,440	
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	85,698	0	85,698	(Sch 4)
083		Speech Pathology - Total	8280	\$ 85,698	\$ 0	\$ 85,698	
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	468,786	0	468,786	(Sch 4)
085		Pharmacy - Total	8300	\$ 468,786	\$ 0	\$ 468,786	
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	56,886	0	56,886	(Sch 4)
090		Laboratory - Total	8400	\$ 56,886	\$ 0	\$ 56,886	
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	36,314	0	36,314	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 36,314	\$ 0	\$ 36,314	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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		\$ 2,304,446	\$ 14,651	\$ 2,319,097	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,989,422	\$ (3,935)	\$ 2,985,487	(Sch 2)
105	.20-.39	Fringe Benefits	6110	801,698	(753)	800,945	(Sch 2)
105	.49	Agency Staff	6110	0	0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	165,789	(15,403)	150,386	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 3,956,909	\$ (20,091)	\$ 3,936,818	
110		Intermediate Care					
110	.01-.19	Salaries and Wages	6120	\$ 0	\$ 0	\$ 0	
110	.20-.39	Fringe Benefits	6120	0	0	0	
110	.49	Agency Staff	6120	0	0	0	
110	.40-.99	Other - Nonlabor	6120	0	0	0	
110		Intermediate Care - Total	6120	\$ 0	\$ 0	\$ 0	(Sch 2)
115		Mentally Disordered Care					
115	.01-.19	Salaries and Wages	6130	\$ 0	\$ 0	\$ 0	
115	.20-.39	Fringe Benefits	6130	0	0	0	
115	.49	Agency Staff	6130	0	0	0	
115	.40-.99	Other - Nonlabor	6130	0	0	0	
115		Mentally Disordered Care - Total	6130	\$ 0	\$ 0	\$ 0	(Sch 2)
120		Developmentally Disabled Care					
120	.01-.19	Salaries and Wages	6140	\$ 0	\$ 0	\$ 0	
120	.20-.39	Fringe Benefits	6140	0	0	0	
120	.49	Agency Staff	6140	0	0	0	
120	.40-.99	Other - Nonlabor	6140	0	0	0	
120		Developmentally Disabled Care - Total	6140	\$ 0	\$ 0	\$ 0	(Sch 2)
125		Subacute Care					
125	.01-.19	Salaries and Wages	6150	\$ 0	\$ 0	\$ 0	(Sch 2)
125	.20-.39	Fringe Benefits	6150	0	0	0	(Sch 2)
125	.49	Agency Staff	6150	0	0	0	(Sch 2)
125	.40-.99	Other - Nonlabor	6150	0	0	0	(Sch 4)
125		Subacute Care - Total	6150	\$ 0	\$ 0	\$ 0	
126		Subacute Care - Pediatric					
126	.01-.19	Salaries and Wages	6160	\$ 0	\$ 0	\$ 0	(Sch 2)
126	.20-.39	Fringe Benefits	6160	0	0	0	(Sch 2)
126	.49	Agency Staff	6160	0	0	0	(Sch 2)
126	.40-.99	Other - Nonlabor	6160	0	0	0	(Sch 4)
126		Subacute Care - Pediatric - Total	6160	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED
128		Transitional Inpatient Care				
128	.01-.19	Salaries and Wages	6170	\$ 0	\$ 0	\$ 0
128	.20-.39	Fringe Benefits	6170	0	0	0
128	.49	Agency Staff	6170	0	0	0
128	.40-.99	Other - Nonlabor	6170	0	0	0
128		Transitional Inpatient Care - Total	6170	\$ 0	\$ 0	\$ 0 (Sch 2)
130		Hospice Inpatient Care				
130	.01-.19	Salaries and Wages	6180	\$ 0	\$ 0	\$ 0
130	.20-.39	Fringe Benefits	6180	0	0	0
130	.49	Agency Staff	6180	0	0	0
130	.40-.99	Other - Nonlabor	6180	0	0	0
130		Hospice Inpatient Care - Total	6180	\$ 0	\$ 0	\$ 0 (Sch 2)
135		Other Routine Services				
135	.01-.19	Salaries and Wages	6190	\$ 0	\$ 0	\$ 0
135	.20-.39	Fringe Benefits	6190	0	0	0
135	.49	Agency Staff	6190	0	0	0
135	.40-.99	Other - Nonlabor	6190	0	0	0
135		Other Routine Services - Total	6190	\$ 0	\$ 0	\$ 0 (Sch 2)
		Other Nonreimbursable				
139		Residential Care				
139	.01-.19	Salaries and Wages	9100	\$ 0	\$ 0	\$ 0 (Sch 2)
139	.20-.39	Fringe Benefits	9100	0	0	0 (Sch 2)
139	.49	Agency Staff	9100	0	0	0 (Sch 2)
139	.40-.99	Other - Nonlabor	9100	0	0	0 (Sch 4)
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0
140		Beauty and Barber				
140	.01-.19	Salaries and Wages	8900	\$ 0	\$ 0	\$ 0 (Sch 2)
140	.20-.39	Fringe Benefits	8900	0	0	0 (Sch 2)
140	.49	Agency Staff	8900	0	0	0 (Sch 2)
140	.40-.99	Other - Nonlabor	8900	9,585	0	9,585 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 9,585	\$ 0	\$ 9,585
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$ 0	\$ 0	\$ 0 (Sch 2)
145	.20-.39	Fringe Benefits	9100	0	0	0 (Sch 2)
145	.49	Agency Staff	9100	0	0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100	0	0	0 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
146		Subtotal 105 - 145		\$ 3,966,494	\$ (20,091)	\$ 3,946,403
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 188,905	\$ 0	\$ 188,905 (Sch 2)
155	.20-.39	Fringe Benefits	6600	46,416	0	46,416 (Sch 2)
155	.49	Agency Staff	6600	0	0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	20,895	0	20,895 (Sch 4)
155		Social Services - Total	6600	\$ 256,216	\$ 0	\$ 256,216

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
PACIFIC HILLS MANOR

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

Provider NPI:
1124154422

OSHPD Facility Number:
206434001

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	\$ 129,859	\$ 0	\$ 129,859	(Sch 2)
160	.20-.39	Fringe Benefits	6700	26,999	0	26,999	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	29,200	0	29,200	(Sch 4)
160		Activities - Total	6700	\$ 186,058	\$ 0	\$ 186,058	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 446,855	\$ 0	\$ 446,855	(Sch 6)
165	.20-.39	Fringe Benefits	6900	133,222	0	133,222	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	720,066	5,440	725,506	(Sch 6)
165		Administration - Total	6900	\$ 1,300,143	\$ 5,440	\$ 1,305,583	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 63,361	\$ 0	\$ 63,361	(Sch 3)
166	.20-.39	Fringe Benefits	6900	20,181	0	20,181	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	35,750	0	35,750	(Sch 4)
166		Medical Records - Total	6900	\$ 119,292	\$ 0	\$ 119,292	
167		CDPH Licensing Fees	6900	\$ 25,521	\$ 0	\$ 25,521	(Sch 6)
168		Professional Liability Insurance	6900	\$ 84,689	\$ 0	\$ 84,689	(Sch 6)
169		Quality Assurance Fees	6900	\$ 462,796	\$ 0	\$ 462,796	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 92,842	\$ 0	\$ 92,842	(Sch 3)
170	.20-.39	Fringe Benefits	6800	24,201	0	24,201	(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	\$ 117,043	\$ 0	\$ 117,043	
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	
		Subtotal 155 - 174		\$ 2,551,758	\$ 5,440	\$ 2,557,198	
200		Total		\$ 11,020,041	\$ 266	\$ 11,020,307	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 377,867	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name							Fiscal Period			Provider NPI		Adjustments
PACIFIC HILLS MANOR							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1124154422		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						
<u>MEMORANDUM ADJUSTMENT</u>												
1	Not Reported			8	210		Total Facility Group Health Insurance To include Group Health Insurance in the audit for informational purpose only. 42 CFR 413.20 and 413.24/CMS Pub. 15-1, Sections 2300 and 230.	\$0	\$377,867	\$377,867		

Provider Name							Fiscal Period	Provider NPI	Adjustments		
PACIFIC HILLS MANOR							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1124154422	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					
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>											
2	10.5	075	4	8A-1	075	4	Patient Supplies - Other - Nonlabor	\$90,175	\$14,651	\$104,826	
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	165,789	(14,651)	151,138 *	
							To reclassify oxygen expense to the appropriate cost center. 42 CFR 413.24 / CMS Pub. 15-1, Sections 2202.8 and 2203.2 CCR, Title 22, Section 51511				
3	10.5	050	4	8A-1	050	4	Interest - Property, Plant and Equipment	\$0	\$36,882	\$36,882	
	10.5	055	4	8A-1	055	4	Interest - Other	36,882	(36,882)	0	
							To reclassify leasehold interest to the appropriate cost center. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 52000				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
PACIFIC HILLS MANOR							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1124154422		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				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
4	10.5	025	4	8A-1	025	4	Depreciation - Equipment To include mattress and bed depreciation expense based on the fiscal year ending 12/31/10 Medi-Cal audit. 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2 and 2300	\$43,107	\$266	\$43,373
5	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$2,989,422	(\$3,935)	\$2,985,487
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	801,698	(753)	800,945
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor *	151,138	(752)	150,386
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To adjust reported home office costs to agree with the Covenant Care, LLC Home Office Cost Report for fiscal period ended December 31, 2011. 42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304	720,066	5,440	725,506

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
PACIFIC HILLS MANOR							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1124154422		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				
<u>ADJUSTMENTS TO OTHER MATTERS</u>										
6	4.1	005	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 15, 2012 Report Date: August 16, 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	19,004	(181)	18,823	
7	Not Reported			1	14	Overpayments To recover outstanding Medi-Cal credit balances. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 50761 and 51458.1	\$0	\$21,981	\$21,981	