

**REPORT
ON THE
RATE SETTING AUDIT**

**WATERMAN CONVALESCENT HOSPITAL
SAN BERNARDINO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1265433957**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Julio M. Cueto
Audit Supervisor: Bina Matani
Auditor: Emmanuel K. Ngati**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

August 27, 2013

Administrator
Waterman Convalescent Hospital
1850 N. Waterman Avenue
San Bernardino, CA 92404

WATERMAN CONVALESCENT HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1265433957
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, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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 \$8,425, which resulted from Medi-Cal overpayments
3. Audited Allocation of Home Office Cost

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

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.

Administrator
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If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief
Audits Section—Rancho Cucamonga
Financial Audits Branch

Certified

cc: Terry E. Steege
Finance Director
Plott Management Corporation
800 East Fifth Street
Ontario, CA 91764

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility No.:
206361378

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	\$ 3,662,442	\$ 74.13
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 942,896	\$ 19.09
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 1,228,446	\$ 24.87
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 17,289	\$ 0.35
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 25,327	\$ 0.51
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 34,759	\$ 0.70
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 202,178	\$ 4.09
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 589,248	\$ 11.93
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 1,224,489	\$ 24.79
11	Cost of Routine Service/Audited Total Costs	\$ 7,920,886	\$ 7,927,074	\$ 160.46
12	Total Patient Days (Adj)	49,403	49,403	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 160.33	\$ 160.46	
14	Overpayments (Adjs 10,11)	\$ 0	\$ (8,425)	
15	Medi-Cal Days (Adj 8)	36,360	36,271	
16	Medi-Cal Managed Care Days (Adj 9)		663	
INTERMEDIATE CARE				
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	
MENTALLY DISORDERED CARE				
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	
DEVELOPMENTALLY DISABLED CARE				
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	
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:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility No.:
206361378

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	
50	Total Patient Days (Adj)		0	
51	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
52	Overpayments (Adj)	\$	\$ 0	
HOSPICE INPATIENT CARE				
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	
OTHER ROUTINE SERVICES				
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:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility No.:
206361378

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	\$ 60,716	\$ 60,716		
160	Activities	127,276		\$ 127,276	
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	205,211	0	0	205,211
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	160,711	0	0	160,711
083	Speech Pathology	35,012	0	0	35,012
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	3,474,450	60,716	127,276	3,662,442 *
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	38,162	0	0	38,162
145	Other Nonreimbursable	0	0	0	0
	TOTAL	\$ 4,101,538	\$ 60,716	\$ 127,276	\$ 4,101,538

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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 Srvs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total
GENERAL SERVICES													
005	Plant Operations and Maintenance	\$ 63,556	\$ 63,556										
010	Housekeeping	214,692	139	\$ 214,831									
060	Laundry and Linen	146,704	1,997	6,763	\$ 155,464								
065	Dietary	373,742	8,062	27,312	0	\$ 409,117							
155	Social Services	N/A	207	702	0	0	\$ 910						
160	Activities	N/A	1,593	5,396	0	0	0	\$ 6,989					
165	Administration	N/A	859	2,910	0	0	0	0		\$ 3,770	\$ 3,770		
166	Medical Records	109,859	1,143	3,871	0	0	0	0		114,873		\$ 114,873	
170	Inservice Education - Nursing	67,491	1,266	4,287	0	0	0	0	\$ 73,044				
ANCILLARY SERVICES													
075	Patient Supplies		194	656	0	0	0	0	0	850	5	144	\$ 998
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		1,467	4,971	0	0	0	0	0	6,438	130	3,963	10,531
081	Respiratory Therapy		221	748	0	0	0	0	0	969	2	54	1,025
082	Occupational Therapy		0	0	0	0	0	0	0	0	92	2,818	2,911
083	Speech Pathology		0	0	0	0	0	0	0	0	20	614	634
085	Pharmacy		0	0	0	0	0	0	0	0	138	4,215	4,353
090	Laboratory		0	0	0	0	0	0	0	0	17	533	550
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	11	336	347
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		44,016	149,109	155,464	409,117	910	6,989	73,044	838,649	3,312	100,935	942,896 *
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		270	915	0	0	0	0	0	1,185	25	747	1,956
145	Other Nonreimbursable		2,122	7,188	0	0	0	0	0	9,310	17	516	9,843
	TOTAL	\$ 976,044	\$ 63,556	\$ 214,831	\$ 155,464	\$ 409,117	\$ 910	\$ 6,989	\$ 73,044	\$ 857,401	\$ 3,770	\$ 114,873	\$ 976,044

* (To Schedule 1)

**ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR**

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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	\$ 493,332	\$ 493,332										
010	Housekeeping	61,265	1,080	\$ 62,345									
060	Laundry and Linen	63,570	15,497	1,963	\$ 81,030								
065	Dietary	411,526	62,582	7,926	0	\$ 482,034							
155	Social Services	1,363	1,609	204	0	0	\$ 3,176						
160	Activities	6,359	12,364	1,566	0	0	0	\$ 20,289					
165	Administration	N/A	6,669	845	0	0	0	0		\$ 7,514	\$ 7,514		
166	Medical Records	0	8,871	1,123	0	0	0	0		9,994		\$ 9,994	
170	Inservice Education - Nursing	0	9,823	1,244	0	0	0	0	\$ 11,068				
ANCILLARY SERVICES													
075	Patient Supplies	5,505	1,503	190	0	0	0	0	0	7,199	9	12	\$ 7,220
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	409	11,390	1,443	0	0	0	0	0	13,242	259	345	13,846
081	Respiratory Therapy	0	1,715	217	0	0	0	0	0	1,932	4	5	1,940
082	Occupational Therapy	0	0	0	0	0	0	0	0	0	184	245	430
083	Speech Pathology	0	0	0	0	0	0	0	0	0	40	53	94
085	Pharmacy	240,322	0	0	0	0	0	0	0	240,322	276	367	240,964
090	Laboratory	30,388	0	0	0	0	0	0	0	30,388	35	46	30,469
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	19,147	0	0	0	0	0	0	0	19,147	22	29	19,198
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	230,532	341,661	43,272	81,030	482,034	3,176	20,289	11,068	1,213,062	6,602	8,782	1,228,446
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	679	2,096	265	0	0	0	0	0	3,040	49	65	3,154
145	Other Nonreimbursable	0	16,471	2,086	0	0	0	0	0	18,557	34	45	18,636
	TOTAL	\$ 1,564,397	\$ 493,332	\$ 62,345	\$ 81,030	\$ 482,034	\$ 3,176	\$ 20,289	\$ 11,068	\$ 1,546,889	\$ 7,514	\$ 9,994	\$ 1,564,397

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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)	\$ 18,615	41%							
	Property Tax (line 40)	27,269	59%	\$ 45,884						
005	Plant Operations and Maintenance			0	\$ -					
010	Housekeeping			100	0	\$ 100				
060	Laundry and Linen			1,441	0	3	\$ 1,445			
065	Dietary			5,821	0	13	0	\$ 5,833		
155	Social Services			150	0	0	0	0	\$ 150	
160	Activities			1,150	0	3	0	0	0	\$ 1,152
165	Administration			620	0	1	0	0	0	0
166	Medical Records			825	0	2	0	0	0	0
170	Inservice Education - Nursing			914	0	2	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			140	0	0	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			1,059	0	2	0	0	0	0
081	Respiratory Therapy			159	0	0	0	0	0	0
082	Occupational Therapy			0	0	0	0	0	0	0
083	Speech Pathology			0	0	0	0	0	0	0
085	Pharmacy			0	0	0	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
ROUTINE SERVICES										
105	Skilled Nursing Care			31,777	0	70	1,445	5,833	150	1,152
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			195	0	0	0	0	0	0
145	Other Nonreimbursable			1,532	0	3	0	0	0	0
	TOTAL	\$ 45,884	100%	\$ 45,884	\$ -	\$ 100	\$ 1,445	\$ 5,833	\$ 150	\$ 1,152

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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 41% Of Total	Property Tax 59% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 18,615	41%							
	Property Tax (line 40)	27,269	59%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 622	\$ 622				
166	Medical Records				827		\$ 827			
170	Inservice Education - Nursing			\$ 916						
	ANCILLARY SERVICES									
075	Patient Supplies			0	140	1	1	\$ 142	\$ 58	\$ 84
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	1,062	21	29	1,112	451	661
081	Respiratory Therapy			0	160	0	0	161	65	95
082	Occupational Therapy			0	0	15	20	36	14	21
083	Speech Pathology			0	0	3	4	8	3	5
085	Pharmacy			0	0	23	30	53	22	32
090	Laboratory			0	0	3	4	7	3	4
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	2	2	4	2	3
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			916	41,343	546	727	42,616	17,289	25,327*
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	195	4	5	205	83	122
145	Other Nonreimbursable			0	1,535	3	4	1,542	626	916
	TOTAL	\$ 45,884	100%	\$ 916	\$ 44,436	\$ 622	\$ 827	\$ 45,884	\$ 18,615	\$ 27,269

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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. 60% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 10% of Total	Quality Assur. Fees 29% of Total	Caregiver Training 0% of Total
GENERAL SERVICES														
045	Property Insurance	\$ 64,980												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	1,328,597												
	Total Costs Allocable as Administration	1,393,577	60%											
167	CDPH Licensing Fees	39,559	2%											
168	Professional Liability Insurance	230,097	10%											
169	Quality Assurance Fees	670,616	29%											
174	Caregiver Training	0	0%											
	Total	2,333,849	100%						\$ 2,333,849					
ANCILLARY SERVICES														
075	Patient Supplies			\$ -	\$ 850	\$ 7,199	\$ 140	\$ 8,188	2,917	\$ 1,742	\$ 49	\$ 288	\$ 838	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			205,211	6,438	13,242	1,062	225,953	80,507	48,072	1,365	7,937	23,133	0
081	Respiratory Therapy			0	969	1,932	160	3,061	1,091	651	18	108	313	0
082	Occupational Therapy			160,711	0	0	0	160,711	57,261	34,191	971	5,645	16,454	0
083	Speech Pathology			35,012	0	0	0	35,012	12,475	7,449	211	1,230	3,585	0
085	Pharmacy			0	0	240,322	0	240,322	85,626	51,129	1,451	8,442	24,604	0
090	Laboratory			0	0	30,388	0	30,388	10,827	6,465	184	1,067	3,111	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	19,147	0	19,147	6,822	4,074	116	673	1,960	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			3,662,442	838,649	1,213,062	41,343	5,755,496	2,050,674	1,224,489	34,759	202,178	589,248	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			38,162	1,185	3,040	195	42,583	15,172	9,059	257	1,496	4,360	0
145	Other Nonreimbursable			0	9,310	18,557	1,535	29,403	10,476	6,256	178	1,033	3,010	0
	SUBTOTAL	\$ 2,333,849		\$ 4,101,538	\$ 857,401	\$ 1,546,889	\$ 44,436	\$ 6,550,264	\$ 2,333,849					
	Total Administrative Costs							\$ 2,333,849		\$ 1,393,577	\$ 39,559	\$ 230,097	\$ 670,616	\$ -
	Unit Cost Multiplier							0.35629847						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 118,643	\$ 17,508	\$ 1,448	\$ 137,599							
	TOTAL FACILITY COSTS							\$ 9,021,712						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 7)	Plant Ops (SQ FT) 5 (Adj 7)	Hskpng (SQ FT) 10 (Adj 7)	Laundry (LBS) 60	Dietary (MEALS) 65	Soc Svcs (DIRECT EXP) 155	Activities (DIRECT EXP) 160	Inserv. Ed (DIRECT EXP) 170	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	GENERAL SERVICES										
005	Plant Operations and Maintenance										
010	Housekeeping	51	51								
060	Laundry and Linen	732	732	732							
065	Dietary	2,956	2,956	2,956							
155	Social Services	76	76	76							
160	Activities	584	584	584							
165	Administration	315	315	315							
166	Medical Records	419	419	419							
170	Inservice Education - Nursing	464	464	464							
	ANCILLARY SERVICES										
075	Patient Supplies	71	71	71						8,188	8,188
077	Specialized Support Surfaces									0	0
080	Physical Therapy	538	538	538						225,953	225,953
081	Respiratory Therapy	81	81	81						3,061	3,061
082	Occupational Therapy									160,711	160,711
083	Speech Pathology									35,012	35,012
085	Pharmacy									240,322	240,322
090	Laboratory									30,388	30,388
095	Home Health Services									0	0
100	Other Ancillary Services									19,147	19,147
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	16,138	16,138	16,138	98,806	145,752	3,704,982	3,704,982	3,704,982	5,755,496	5,755,496
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	99	99	99						42,583	42,583
145	Other Nonreimbursable	778	778	778						29,403	29,403
	TOTAL STATISTICS	23,302	23,302	23,251	98,806	145,752	3,704,982	3,704,982	3,704,982	6,550,264	6,550,264
	TOTAL DIRECT SALARIES COSTS - SCH. 2						\$ 60,716	\$ 127,276			
	UNIT COST MULTIPLIER (DIRECT SALARIES)						0.016387664	0.034352664			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3		\$ 63,556	\$ 214,831	\$ 155,464	\$ 409,117	\$ 910	\$ 6,989	\$ 73,044	\$ 3,770	\$ 114,873
	UNIT COST MULTIPLIER (INDIRECT SALARIES)		2.72749120	9.23965000	1.57342618	2.80693829	0.00024548	0.00188633	0.01971501	0.00057550	0.01753719
	TOTAL INDIRECT OTHER COSTS - SCH. 4		\$ 493,332	\$ 62,345	\$ 81,030	\$ 482,034	\$ 3,176	\$ 20,289	\$ 11,068	\$ 7,514	\$ 9,994
	UNIT COST MULTIPLIER (INDIRECT OTHER)		21.17122994	2.68137855	0.82009301	3.30722262	0.00085717	0.00547612	0.00298722	0.00114706	0.00152578
	TOTAL CAPITAL COSTS - SCH. 5	\$ 45,884	\$ -	\$ 100	\$ 1,445	\$ 5,833	\$ 150	\$ 1,152	\$ 916	\$ 622	\$ 827
	UNIT COST MULTIPLIER (CAPITAL COSTS)	1.96910137	0.00000000	0.00431913	0.01462000	0.04002299	0.00004048	0.00031106	0.00024715	0.00009490	0.00012623

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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	\$ 47,036	\$ 0	\$ 47,036	(Sch 3)
005	.20-.39	Fringe Benefits	6200	16,520	0	16,520	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	493,595	(263)	493,332	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 557,151	\$ (263)	\$ 556,888	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 158,850	\$ 0	\$ 158,850	(Sch 3)
010	.20-.39	Fringe Benefits	6300	55,842	0	55,842	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	61,265	0	61,265	(Sch 4)
010		Housekeeping - Total	6300	\$ 275,957	\$ 0	\$ 275,957	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130		0	0	(Sch 5)
025		Depreciation: Equipment	7140	17,547	0	17,547	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	1,068	0	1,068	(Sch 5)
040		Property Taxes	7300	27,269	0	27,269	(Sch 5)
045		Property Insurance	7400	64,980	0	64,980	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	\$	\$ 0	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 943,972	\$ (263)	\$ 943,709	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 108,626	\$ 0	\$ 108,626	(Sch 3)
060	.20-.39	Fringe Benefits	6400	38,078	0	38,078	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	63,570	0	63,570	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 210,274	\$ 0	\$ 210,274	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 282,730	\$ 0	\$ 282,730	(Sch 3)
065	.20-.39	Fringe Benefits	6500	91,012	0	91,012	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	411,526	0	411,526	(Sch 4)
065		Dietary - Total	6500	\$ 785,268	\$ 0	\$ 785,268	
070		Provision for Bad Debts	7700	\$	0	\$ 0	
		Ancillary Services					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	5,505	0	5,505	(Sch 4)
075		Patient Supplies - Total	8100	\$ 5,505	\$ 0	\$ 5,505	
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:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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	\$ 159,770	\$ 0	\$ 159,770	(Sch 2)
080	.20-.39	Fringe Benefits	8200	45,441	0	45,441	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	409	0	409	(Sch 4)
080		Physical Therapy - Total	8200	\$ 205,620	\$ 0	\$ 205,620	
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	\$ 129,936	\$ 0	\$ 129,936	(Sch 2)
082	.20-.39	Fringe Benefits	8250	30,775	0	30,775	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250		0	0	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 160,711	\$ 0	\$ 160,711	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$ 31,055	\$ 0	\$ 31,055	(Sch 2)
083	.20-.39	Fringe Benefits	8280	3,957	0	3,957	(Sch 2)
083	.79	Agency Staff	8280		0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280		0	0	(Sch 4)
083		Speech Pathology - Total	8280	\$ 35,012	\$ 0	\$ 35,012	
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	240,322	0	240,322	(Sch 4)
085		Pharmacy - Total	8300	\$ 240,322	\$ 0	\$ 240,322	
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	30,388	0	30,388	(Sch 4)
090		Laboratory - Total	8400	\$ 30,388	\$ 0	\$ 30,388	
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	19,147	0	19,147	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 19,147	\$ 0	\$ 19,147	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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		\$ 696,705	\$ 0	\$ 696,705	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 2,618,729	\$ 0	\$ 2,618,729	(Sch 2)
105	.20-.39	Fringe Benefits	6110	855,721	0	855,721	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	236,512	(5,980)	230,532	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 3,710,962	\$ (5,980)	\$ 3,704,982	
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:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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)
		Other Nonreimbursable				
139		Residential Care				
139	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0 (Sch 2)
139	.20-.39	Fringe Benefits	9100		0	0 (Sch 2)
139	.49	Agency Staff	9100		0	0 (Sch 2)
139	.40-.99	Other - Nonlabor	9100		0	0 (Sch 4)
139		Residential Care - Total	9100	\$ 0	\$ 0	\$ 0
140		Beauty and Barber				
140	.01-.19	Salaries and Wages	8900	\$ 27,818	\$ 0	\$ 27,818 (Sch 2)
140	.20-.39	Fringe Benefits	8900	10,344	0	10,344 (Sch 2)
140	.49	Agency Staff	8900		0	0 (Sch 2)
140	.40-.99	Other - Nonlabor	8900	679	0	679 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 38,841	\$ 0	\$ 38,841
145		Other Nonreimbursable				
145	.01-.19	Salaries and Wages	9100	\$	\$ 0	\$ 0 (Sch 2)
145	.20-.39	Fringe Benefits	9100		0	0 (Sch 2)
145	.49	Agency Staff	9100		0	0 (Sch 2)
145	.40-.99	Other - Nonlabor	9100		0	0 (Sch 4)
145		Other Nonreimbursable - Total	9100	\$ 0	\$ 0	\$ 0
146		Subtotal 105 - 145		\$ 3,749,803	\$ (5,980)	\$ 3,743,823
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 46,459	\$ 0	\$ 46,459 (Sch 2)
155	.20-.39	Fringe Benefits	6600	14,257	0	14,257 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	1,363	0	1,363 (Sch 4)
155		Social Services - Total	6600	\$ 62,079	\$ 0	\$ 62,079

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

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

Provider NPI:
1265433957

OSHPD Facility Number:
206361378

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	\$ 95,773	\$ 0	\$ 95,773	(Sch 2)
160	.20-.39	Fringe Benefits	6700	31,503	0	31,503	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	6,359	0	6,359	(Sch 4)
160		Activities - Total	6700	\$ 133,635	\$ 0	\$ 133,635	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 356,088	\$ 0	\$ 356,088	(Sch 6)
165	.20-.39	Fringe Benefits	6900	108,590	0	108,590	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	863,555	364	863,919	(Sch 6)
165		Administration - Total	6900	\$ 1,328,233	\$ 364	\$ 1,328,597	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 77,451	\$ 0	\$ 77,451	(Sch 3)
166	.20-.39	Fringe Benefits	6900	32,408	0	32,408	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900		0	0	(Sch 4)
166		Medical Records - Total	6900	\$ 109,859	\$ 0	\$ 109,859	
167		CDPH Licensing Fees	6900	\$ 39,559	\$ 0	\$ 39,559	(Sch 6)
168		Professional Liability Insurance	6900	\$ 230,097	\$ 0	\$ 230,097	(Sch 6)
169		Quality Assurance Fees	6900	\$ 670,616	\$ 0	\$ 670,616	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 50,176	\$ 0	\$ 50,176	(Sch 3)
170	.20-.39	Fringe Benefits	6800	17,315	0	17,315	(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	\$ 67,491	\$ 0	\$ 67,491	
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	
		Subtotal 155 - 174		\$ 2,641,569	\$ 364	\$ 2,641,933	
200		Total		\$ 9,027,591	\$ (5,879)	\$ 9,021,712	

210	0.24	Total Facility Group Health Insurance *	6900			\$ 372,075	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name:
WATERMAN CONVALESCENT HOSPITAL

Provider NPI:
1265433957

OSHDP Facility Number:
206361378

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

Line No.	Sub No.	Description	TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJS 3,4	AUDIT ADJS 5,6	AUDIT ADJ				
174	3	Caregiver Training - Agency Staff	0								
174	4	Caregiver Training - Other - Nonlabor	0								
200		Total	<u>(\$5,879)</u> (To Sch 8)	<u>0</u>	<u>(5,980)</u>	<u>101</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Provider Name							Fiscal Period			Provider NPI		Adjustments
WATERMAN CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1265433957		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No						
<u>MEMORANDUM ADJUSTMENT</u>												
1	Not Reported			8	210		Total Facility Group Health Insurance To include group health insurance costs in the audit report for informational purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304		\$0	\$372,075	\$372,075	

Provider Name							Fiscal Period	Provider NPI		Adjustments
WATERMAN CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1265433957		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>RECLASSIFICATION OF REPORTED COSTS</u>										
2	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor	\$493,595	(\$263)	\$493,332
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	863,555	263	863,818 *
							To reclassify the provider's abatement of vending machine income against the related costs. 42 CFR 413.5 and 413.9 CMS Pub. 15-1, Sections 2302.5 and 2328 CMS Pub. 15-2, Section 3613			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
WATERMAN CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1265433957		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	\$236,512		
3							To adjust pharmacy consultant expenses to agree with expense applicable to the audit period. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.1, 2304, and 2306		(\$2,048)	
4							To eliminate patient television costs. 42 CFR 413.9(c)(3), 413.24, and 413.50 CMS Pub. 15-1, Sections 2106.1 and 2304		(3,932) (\$5,980)	\$230,532
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* \$863,818		
5							To adjust reported home office costs to agree with the Plott Management Corporation Home Office Audit Report for fiscal period ended January 31, 2011, and the filed Home Office Cost Report for the fiscal period ended January 31, 2012. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304		(\$49)	
6							To reverse the provider's abatement of transportation revenue for proper cost determination. 42 CFR 413.9, 413.20, and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CMS Pub. 15-2, Section 3613		150 \$101	\$863,919

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	Provider NPI		Adjustments
WATERMAN CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1265433957		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENT TO REPORTED STATISTICS</u>										
7	10.7	010	3	7	010		Housekeeping (Square Feet)	51	(51)	0
	10.7	081	1,2,3	7	081		Respiratory Therapy	0	81	81
	10.7	175	1,2	7	N/A		Total Statistics - Square Feet	23,221	81	23,302
	10.7	175	3	7	N/A		Total Statistics - Square Feet	23,221	30	23,251
							To adjust square footage statistics to agree with the prior year audited square footage 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
WATERMAN CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1265433957		11
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED PATIENT DAYS</u>										
8	4.1	5	2	1	15	Medi-Cal Days of Service - Skilled Nursing Care 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 June 25, 2013 Report Date: July 2, 2013 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541	36,360	(89)	36,271	
9	Not Reported			1	16	Medi-Cal Managed Care Days - Skilled Nursing Care To include Medi-Cal Managed Care days to agree with the provider's patient census records. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	663	663	

Provider Name							Fiscal Period			Provider NPI		Adjustments
WATERMAN CONVALESCENT HOSPITAL							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1265433957		11
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report				Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No						
<u>ADJUSTMENTS TO OTHER MATTERS</u>												
	Not Reported			1	14		Overpayments		\$0			
10							To recover Medi-Cal overpayments because the Share of Cost was not properly deducted from the amount billed. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1			\$7,950		
11							To recover transportation fees charged by the provider against the Share of Cost. 42 CFR 413.5 and 413.20 CMS Pub. 15-1, Sections 2300 and 2409 CCR, Title 22, Sections 50786 and 51458.1			<u>475</u> \$8,425	\$8,425	