

**REPORT
ON THE
RATE SETTING AUDIT**

**VALLEY CONVALESCENT HOSPITAL - WATSONVILLE
WATSONVILLE, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1346241460**

**FISCAL PERIOD ENDED
DECEMBER 31, 2011**

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

**Section Chief: Louise Wong
Audit Supervisor: Ken Phelan
Auditor: Joanne Hui**



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



EDMUND G. BROWN JR.
GOVERNOR

May 23, 2013

Robert Ditlevsen, Administrator
Valley Convalescent Hospital - Watsonville
919 Freedom Boulevard
Watsonville, CA 95076

VALLEY CONVALESCENT HOSPITAL - WATSONVILLE
NATIONAL PROVIDER IDENTIFIER (NPI) 1346241460
FISCAL PERIOD ENDED DECEMBER 31, 2011

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

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

This audit report includes the:

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

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

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

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

John Melton, 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—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:

VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1346241460

OSHPD Facility No.:

206440914

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	\$ 2,042,416	\$ 109.23
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$ N/A	\$ 628,649	\$ 33.62
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$ N/A	\$ 713,083	\$ 38.14
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$ N/A	\$ 20,030	\$ 1.07
5	Property Taxes (Sch. 5, Ln. 105)	\$ N/A	\$ 1,374	\$ 0.07
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 16,358	\$ 0.87
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$ N/A	\$ 29,388	\$ 1.57
8	Caregiver Training (Sch. 6, Ln. 105)	\$ N/A	\$ 0	\$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$ N/A	\$ 171,718	\$ 9.18
10	Cost of Administration (Sch. 6, Ln. 105)	\$ N/A	\$ 602,885	\$ 32.24
11	Cost of Routine Service/Audited Total Costs	\$ 4,225,024	\$ 4,225,903	\$ 226.01
12	Total Patient Days (Adj)	18,698	18,698	
13	Cost Per Patient Day (Cost Divided by Days)	\$ 225.96	\$ 226.01	
14	Overpayments (Adj)	\$ 0	\$ 0	
15	Medi-Cal Days (Adj 3)	11,179	227	
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:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility No.:
206440914

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:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility No.:
206440914

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				
-	Laundry and Linen				
065	Dietary				
155	Social Services	\$ 44,792	\$ 44,792		
160	Activities	89,484		\$ 89,484	
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	228,453	0	0	228,453
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	163,057	0	0	163,057
083	Speech Pathology	2,275	0	0	2,275
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	1,908,140	44,792	89,484	2,042,416 *
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	\$ 2,436,201	\$ 44,792	\$ 89,484	\$ 2,436,201

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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	\$ 82,050	\$ 82,050										
010	Housekeeping	107,501	466	\$ 107,967									
-	Laundry and Linen	0	3,759	4,975	\$ 8,734								
065	Dietary	263,577	14,221	18,821	0	\$ 296,619							
155	Social Services	N/A	125	166	0	0	\$ 291						
160	Activities	N/A	2,443	3,233	0	0	0	\$ 5,677					
165	Administration	N/A	1,859	2,460	0	0	0	0		\$ 4,318	\$ 4,318		
166	Medical Records	48,738	244	322	0	0	0	0		49,304		\$ 49,304	
170	Inservice Education - Nursing	146,048	376	497	0	0	0	0	\$ 146,921				
	ANCILLARY SERVICES												
075	Patient Supplies		1,427	1,889	0	0	0	0	0	3,316	203	2,322	\$ 5,840
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		2,631	3,482	0	0	0	0	0	6,114	264	3,012	9,389
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		0	0	0	0	0	0	0	0	178	2,032	2,210
083	Speech Pathology		104	138	0	0	0	0	0	243	3	35	281
085	Pharmacy		0	0	0	0	0	0	0	0	0	0	0
090	Laboratory		0	0	0	0	0	0	0	0	0	6	6
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	0	0	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		53,767	71,155	8,734	296,619	291	5,677	146,921	583,164	3,663	41,822	628,649 *
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		626	829	0	0	0	0	0	1,456	7	76	1,538
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 647,914	\$ 82,050	\$ 107,967	\$ 8,734	\$ 296,619	\$ 291	\$ 5,677	\$ 146,921	\$ 594,292	\$ 4,318	\$ 49,304	\$ 647,914

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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	\$ 165,034	\$ 165,034										
010	Housekeeping	31,515	938	\$ 32,453									
-	Laundry and Linen	51,451	7,561	1,495	\$ 60,507								
065	Dietary	252,948	28,605	5,657	0	\$ 287,210							
155	Social Services	480	252	50	0	0	\$ 782						
160	Activities	10,842	4,914	972	0	0	0	\$ 16,728					
165	Administration	N/A	3,738	739	0	0	0	0		\$ 4,478	\$ 4,478		
166	Medical Records	0	490	97	0	0	0	0		587		\$ 587	
170	Inservice Education - Nursing	3,197	756	150	0	0	0	0	\$ 4,103				
ANCILLARY SERVICES													
075	Patient Supplies	179,097	2,870	568	0	0	0	0	0	182,535	211	28	\$ 182,773
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	0	5,293	1,047	0	0	0	0	0	6,339	274	36	6,649
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	0	0	0	0	0	0	0	0	0	185	24	209
083	Speech Pathology	0	210	42	0	0	0	0	0	252	3	0	255
085	Pharmacy	0	0	0	0	0	0	0	0	0	0	0	0
090	Laboratory	442	0	0	0	0	0	0	0	442	1	0	443
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0
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	209,923	108,146	21,388	60,507	287,210	782	16,728	4,103	708,787	3,798	498	713,083 *
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	2,932	1,260	249	0	0	0	0	0	4,441	7	1	4,449
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 907,861	\$ 165,034	\$ 32,453	\$ 60,507	\$ 287,210	\$ 782	\$ 16,728	\$ 4,103	\$ 902,796	\$ 4,478	\$ 587	\$ 907,861

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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)	\$ 21,368	94%							
	Property Tax (line 40)	1,466	6%	\$ 22,834						
005	Plant Operations and Maintenance			710	\$ 710					
010	Housekeeping			126	4	\$ 130				
-	Laundry and Linen			1,014	33	6	\$ 1,052			
065	Dietary			3,835	123	23	0	\$ 3,980		
155	Social Services			34	1	0	0	0	\$ 35	
160	Activities			659	21	4	0	0	0	\$ 684
165	Administration			501	16	3	0	0	0	0
166	Medical Records			66	2	0	0	0	0	0
170	Inservice Education - Nursing			101	3	1	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			385	12	2	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			710	23	4	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	0	0	0	0	0	0
083	Speech Pathology			28	1	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			14,498	465	86	1,052	3,980	35	684
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			169	5	1	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 22,834	100%	\$ 22,834	\$ 710	\$ 130	\$ 1,052	\$ 3,980	\$ 35	\$ 684

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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 94% Of Total	Property Tax 6% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 21,368	94%							
	Property Tax (line 40)	1,466	6%							
005	Plant Operations and Maintenance									
010	Housekeeping									
-	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 520	\$ 520				
166	Medical Records				68		\$ 68			
170	Inservice Education - Nursing			\$ 105						
	ANCILLARY SERVICES									
075	Patient Supplies			0	399	24	3	\$ 427	\$ 400	\$ 27
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	736	32	4	772	723	50
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	0	21	3	24	23	2
083	Speech Pathology			0	29	0	0	30	28	2
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			105	20,905	441	58	21,404	20,030	1,374
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	175	1	0	176	165	11
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 22,834	100%	\$ 105	\$ 22,246	\$ 520	\$ 68	\$ 22,834	\$ 21,368	\$ 1,466

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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. 73% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 4% of Total	Quality Assur. Fees 21% of Total	Caregiver Training 0% of Total
	GENERAL SERVICES													
045	Property Insurance	\$ -												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	710,742												
	Total Costs Allocable as Administration	710,742	73%											
167	CDPH Licensing Fees	19,284	2%											
168	Professional Liability Insurance	34,646	4%											
169	Quality Assurance Fees	202,439	21%											
174	Caregiver Training	0	0%											
	Total	967,111	100%						\$ 967,111					
	ANCILLARY SERVICES													
075	Patient Supplies			\$ -	\$ 3,316	\$ 182,535	\$ 399	\$ 186,250	45,537	\$ 33,466	\$ 908	\$ 1,631	\$ 9,532	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			228,453	6,114	6,339	736	241,642	59,080	43,419	1,178	2,117	12,367	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			163,057	0	0	0	163,057	39,867	29,299	795	1,428	8,345	0
083	Speech Pathology			2,275	243	252	29	2,798	684	503	14	25	143	0
085	Pharmacy			0	0	0	0	0	0	0	0	0	0	0
090	Laboratory			0	0	442	0	442	108	79	2	4	23	0
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	0	0	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			2,042,416	583,164	708,787	20,905	3,355,273	820,350	602,885	16,358	29,388	171,718	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	1,456	4,441	175	6,072	1,485	1,091	30	53	311	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	\$ 967,111		\$ 2,436,201	\$ 594,292	\$ 902,796	\$ 22,246	\$ 3,955,535	\$ 967,111					
	Total Administrative Costs							\$ 967,111		\$ 710,742	\$ 19,284	\$ 34,646	\$ 202,439	\$ -
	Unit Cost Multiplier							0.24449565						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 53,622	\$ 5,065	\$ 588	\$ 59,275							
	TOTAL FACILITY COSTS							\$ 4,981,921						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 2)	Plant Ops (SQ FT) 5 (Adj 2)	Hskpng (SQ FT) 10 (Adj 2)	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	378									
010	Housekeeping	67	67								
0	Laundry and Linen	540	540	540							
065	Dietary	2,043	2,043	2,043							
155	Social Services	18	18	18							
160	Activities	351	351	351							
165	Administration	267	267	267							
166	Medical Records	35	35	35							
170	Inservice Education - Nursing	54	54	54							
	ANCILLARY SERVICES										
075	Patient Supplies	205	205	205						186,250	186,250
077	Specialized Support Surfaces									0	0
080	Physical Therapy	378	378	378						241,642	241,642
081	Respiratory Therapy									0	0
082	Occupational Therapy									163,057	163,057
083	Speech Pathology	15	15	15						2,798	2,798
085	Pharmacy									0	0
090	Laboratory									442	442
095	Home Health Services									0	0
100	Other Ancillary Services									0	0
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	7,724	7,724	7,724	186,620	55,986	2,118,063	2,118,063	2,118,063	3,355,273	3,355,273
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	90	90	90						6,072	6,072
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	12,165	11,787	11,720	186,620	55,986	2,118,063	2,118,063	2,118,063	3,955,535	3,955,535
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 44,792 0.021147624	\$ 89,484 0.042248035			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 82,050 6.96105879	\$ 107,967 9.21223472	\$ 8,734 0.04679873	\$ 296,619 5.29809307	\$ 291 0.00013745	\$ 5,677 0.00268020	\$ 146,921 0.06936591	\$ 4,318 0.00109170	\$ 49,304 0.01246458
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 165,034 14.00135743	\$ 32,453 2.76903506	\$ 60,507 0.32422576	\$ 287,210 5.13003093	\$ 782 0.00036914	\$ 16,728 0.00789798	\$ 4,103 0.00193696	\$ 4,478 0.00113201	\$ 587 0.00014839
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 22,834 1.87702425	\$ 710 0.06019472	\$ 130 0.01107455	\$ 1,052 0.00563754	\$ 3,980 0.07109570	\$ 35 0.00001656	\$ 684 0.00032287	\$ 105 0.00004967	\$ 520 0.00013151	\$ 68 0.00001724

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:

VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

Fiscal Period:

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:

1346241460

OSHPD Facility Number:

206440914

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	\$ 65,855	\$ 0	\$ 65,855	(Sch 3)
005	.20-.39	Fringe Benefits	6200	16,195	0	16,195	(Sch 3)
005	.79	Agency Staff	6200	0	0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	165,034	0	165,034	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 247,084	\$ 0	\$ 247,084	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 90,196	\$ 0	\$ 90,196	(Sch 3)
010	.20-.39	Fringe Benefits	6300	17,305	0	17,305	(Sch 3)
010	.79	Agency Staff	6300	0	0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	31,515	0	31,515	(Sch 4)
010		Housekeeping - Total	6300	\$ 139,016	\$ 0	\$ 139,016	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 0	\$ 0	\$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	0	0	0	(Sch 5)
025		Depreciation: Equipment	7140	21,368	0	21,368	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	0	0	0	(Sch 5)
035		Leases and Rentals	7200	0	0	0	(Sch 5)
040		Property Taxes	7300	1,466	0	1,466	(Sch 5)
045		Property Insurance	7400	0	0	0	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500	0	0	0	(Sch 6)
055		Interest - Other	7600	\$ 0	\$ 0	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 408,934	\$ 0	\$ 408,934	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 0	\$ 0	\$ 0	(Sch 3)
060	.20-.39	Fringe Benefits	6400	0	0	0	(Sch 3)
060	.79	Agency Staff	6400	0	0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	51,451	0	51,451	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 51,451	\$ 0	\$ 51,451	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 221,576	\$ 0	\$ 221,576	(Sch 3)
065	.20-.39	Fringe Benefits	6500	42,001	0	42,001	(Sch 3)
065	.79	Agency Staff	6500	0	0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	252,948	0	252,948	(Sch 4)
065		Dietary - Total	6500	\$ 516,525	\$ 0	\$ 516,525	
070		Provision for Bad Debts	7700	\$ 0	0	\$ 0	
075		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	179,097	0	179,097	(Sch 4)
075		Patient Supplies - Total	8100	\$ 179,097	\$ 0	\$ 179,097	
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:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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	228,453	0	228,453	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	0	0	0	(Sch 4)
080		Physical Therapy - Total	8200	\$ 228,453	\$ 0	\$ 228,453	
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	163,057	0	163,057	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	0	0	0	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 163,057	\$ 0	\$ 163,057	
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	2,275	0	2,275	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	0	0	0	(Sch 4)
083		Speech Pathology - Total	8280	\$ 2,275	\$ 0	\$ 2,275	
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	0	0	0	(Sch 4)
085		Pharmacy - Total	8300	\$ 0	\$ 0	\$ 0	
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	442	0	442	(Sch 4)
090		Laboratory - Total	8400	\$ 442	\$ 0	\$ 442	
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	0	0	0	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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		\$ 573,324	\$ 0	\$ 573,324	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,562,407	\$ 0	\$ 1,562,407	(Sch 2)
105	.20-.39	Fringe Benefits	6110	345,733	0	345,733	(Sch 2)
105	.49	Agency Staff	6110	0	0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	209,923	0	209,923	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 2,118,063	\$ 0	\$ 2,118,063	
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:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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	2,932	0	2,932 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 2,932	\$ 0	\$ 2,932
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		\$ 2,120,995	\$ 0	\$ 2,120,995
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 39,068	\$ 0	\$ 39,068 (Sch 2)
155	.20-.39	Fringe Benefits	6600	5,724	0	5,724 (Sch 2)
155	.49	Agency Staff	6600	0	0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	480	0	480 (Sch 4)
155		Social Services - Total	6600	\$ 45,272	\$ 0	\$ 45,272

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE

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

Provider NPI:
1346241460

OSHPD Facility Number:
206440914

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	\$ 76,281	\$ 0	\$ 76,281	(Sch 2)
160	.20-.39	Fringe Benefits	6700	13,203	0	13,203	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	10,842	0	10,842	(Sch 4)
160		Activities - Total	6700	\$ 100,326	\$ 0	\$ 100,326	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 33,862	\$ 0	\$ 33,862	(Sch 6)
165	.20-.39	Fringe Benefits	6900	5,930	0	5,930	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	670,950	0	670,950	(Sch 6)
165		Administration - Total	6900	\$ 710,742	\$ 0	\$ 710,742	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 39,517	\$ 0	\$ 39,517	(Sch 3)
166	.20-.39	Fringe Benefits	6900	9,221	0	9,221	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	0	0	0	(Sch 4)
166		Medical Records - Total	6900	\$ 48,738	\$ 0	\$ 48,738	
167		CDPH Licensing Fees	6900	\$ 19,284	\$ 0	\$ 19,284	(Sch 6)
168		Professional Liability Insurance	6900	\$ 34,646	\$ 0	\$ 34,646	(Sch 6)
169		Quality Assurance Fees	6900	\$ 202,439	\$ 0	\$ 202,439	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 63,867	\$ 0	\$ 63,867	(Sch 3)
170	.20-.39	Fringe Benefits	6800	82,181	0	82,181	(Sch 3)
170	.49	Agency Staff	6800	0	0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	3,197	0	3,197	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 149,245	\$ 0	\$ 149,245	
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		\$ 1,310,692	\$ 0	\$ 1,310,692	
200		Total		\$ 4,981,921	\$ 0	\$ 4,981,921	

210	0.24	Total Facility Group Health Insurance * (Adj 1)	6900			\$ 28,880	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name							Fiscal Period			Provider NPI		Adjustments
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1346241460		3
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.						
MEMORANDUM ADJUSTMENT												
1	N/A			8	210	N/A	Total Facility Group Health Insurance To include Group Health Insurance in the audit report for informational purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$0	\$28,880	\$28,880		

Provider Name							Fiscal Period			Provider NPI		Adjustments
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011			1346241460		3
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>												
2	10.7	075	1,2,3	7	075	N/A	Patient Supplies (Square Feet)	63	142	205		
	10.7	083	1,2,3	7	083	N/A	Speech Pathology	0	15	15		
	10.7	175	1	7	N/A	N/A	Total Statistics - Square Feet - Capital	12,008	157	12,165		
	10.7	175	2	7	N/A	N/A	Total Statistics - Square Feet - Plants and Operations and Maintenance	11,630	157	11,787		
	10.7	175	3	7	N/A	N/A	Total Statistics - Square Feet - Housekeeping	11,563	157	11,720		
							To adjust reported square footage statistics to agree with prior year's audit report.					
							42 CFR 413.24 and 413.50					
							CMS Pub. 15-1, Sections 2304 and 2306					

Provider Name							Fiscal Period	Provider NPI	Adjustments		
VALLEY CONVALESCENT HOSPITAL - WATSONVILLE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1346241460	3		
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 PATIENT DAYS</u>											
3	4.1	70	2	1	1	N/A	Total Medi-Cal Days To adjust reported Medi-Cal Nursing Facility days based on the followir Fiscal Intermediary Payment Data Service Period: January 1, 2011 through December 31, 201 Payment Period: January 1, 2011 through March 29, 2013 Report Date: April 3, 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	11,179	(10,952)	227	