

**REPORT
ON THE
HOME OFFICE AUDIT**

**MOYLE CENTRAL VALLEY HEALTHCARE
TULARE, CALIFORNIA**

**FISCAL PERIOD ENDED
DECEMBER 31, 2012**

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

**Section Chief: Michael Harrold
Audit Supervisor: Kristina Nacino
Auditor: Inosencia Aparicio**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

June 18, 2014

Jim Higbee
Director of Reimbursement
Magnolia Health Corporation
999 North M. Street
Tulare, Ca 93274

MOYLE CENTRAL VALLEY HEALTHCARE
FISCAL PERIOD ENDED DECEMBER 31, 2012

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2012. 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 Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

Jim Higbee
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If you have questions regarding this report, you may call the Audits Section—Fresno at (559) 446-2458.

Original Signed by

Michael A. Harrold, Chief
Audits Section—Fresno
Financial Audits Branch

Certified

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FUNCTIONAL ALLOCATION OF EXPENSES TO
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HOME OFFICE NAME:
MOYLE CENTRAL VALLEY HEALTHCARE

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

HEALTH CARE FACILITIES

	PROVIDER NPI	New Cap. Related- Movable 5.00	5.01	Insurance Premiums 7.00	Taxes and Licenses - Not INCM 8.00	9.00	AUDITED TOTAL CAPITAL
1. Browning Manor	1275614380	\$0	\$0	\$0	\$0	\$0	\$0
1.01 Kaweah Manor	1871674358	0	0	0	0	0	0
1.02 Merritt Manor	1316011851	0	0	0	0	0	0
1.03 Porterville Convalescent	1215001763	0	0	0	0	0	0
1.04 Twin Oaks Rehab and Nursing Center	1679710719	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	Other	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
17.	0	0	0	0	0	0	0
18. SUBTOTAL (LINES 1 THROUGH 17)		\$0	\$0	\$0	\$0	\$0	\$0

OTHER COMPONENTS

19. Twin Oaks Assisted Living	0	\$0	\$0	\$0	\$0	\$0	\$0
27. Other Managed Facilities	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
28. SUBTOTAL (LINES 19 THROUGH 27)		\$0	\$0	\$0	\$0	\$0	\$0
34. GRAND TOTAL ^L		\$0	\$0	\$0	\$0	\$0	\$0

(To Schedule 3)

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
MOYLE CENTRAL VALLEY HEALTHCARE

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

LINE NO.	COST CENTER DESCRIPTION	REPORTED POOLED ALLOC. (SCH. B, COL 8)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED POOLED COSTS
CAPITAL-RELATED COSTS - OLD					
1.00	Old Cap. Related-Buildings & Fixtures	\$460,417	2,3	(\$460,417)	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	150,532	4,6,7,8,12	(149,736)	796
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$610,949</u>		<u>(\$610,153)</u>	<u>\$796</u>
CAPITAL-RELATED COSTS - NEW					
4.00	New Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
4.01		0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
OTHER CAPITAL-RELATED COSTS					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries & Wages of Others	0		0	0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll Related	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	60,562		0	60,562
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	427		0	427
21.00	Travel & Entertainment	13,978	15	(2,448)	11,530
22.00	Transportation	0		0	0
23.00	Cleaning, Office & Admin Supplies	3,925		0	3,925
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	45,163		0	45,163
26.00	Dues & Subscriptions	153		0	153
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0		0	0
30.00	Interest Expense	285,149	5,14	(285,149)	0
31.00	Fines and Penalties	0		0	0
32.00	Professional - Other	9,939		0	9,939
33.00	State Income Taxes	0		0	0
34.00	Airplane Expenses	0		0	0
35.00	Facility Lease Expenses	0		0	0
35.01	Permits and Fees	25		0	25
35.02		0		0	0
35.03		0		0	0
35.04		0		0	0
35.05		0		0	0
35.06		0		0	0
35.07		0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$419,321</u>		<u>(\$287,597)</u>	<u>\$131,724</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$1,030,270</u>		<u>(\$897,750)</u>	<u>\$132,520</u> (To Sch. 4)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>			<u>\$0</u>
	TOTAL EXPENSES	<u>\$1,030,270</u>		<u>(\$897,750)</u>	<u>\$132,520</u>

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
MOYLE CENTRAL VALLEY HEALTHCARE

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

LINE NO.	COST CENTER DESCRIPTION	REPORTED DIRECT ALLOC. (SCH. B, COL 6)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED DIRECT COSTS
CAPITAL-RELATED COSTS - OLD					
1.00	Old Cap. Related-Buildings & Fixtures	\$287,998	1,3,5,9	\$728,945	\$1,016,943
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	198,154	4,11	22,388	220,542
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$486,152</u>		<u>\$751,333</u>	<u>\$1,237,485</u>
CAPITAL-RELATED COSTS - NEW					
4.00	New Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
4.01		0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
OTHER CAPITAL-RELATED COSTS					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries & Wages of Others	0		0	0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll Related	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	0		0	0
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel & Entertainment	0		0	0
22.00	Transportation	0		0	0
23.00	Cleaning, Office & Admin Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	0		0	0
26.00	Dues & Subscriptions	0		0	0
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0		0	0
30.00	Interest Expense	0		0	0
31.00	Fines and Penalties	0		0	0
32.00	Professional - Other	0		0	0
33.00	State Income Taxes	0		0	0
34.00	Airplane Expenses	0		0	0
35.00	Facility Lease Expenses	853,134	1	(853,134)	0
35.01	Permits and Fees	0		0	0
35.02		0		0	0
35.03		0		0	0
35.04		0		0	0
35.05		0		0	0
35.06		0		0	0
35.07		0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$853,134</u>		<u>(\$853,134)</u>	<u>\$0</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$1,339,286</u>		<u>(\$101,801)</u>	<u>\$1,237,485</u>
					(To Sch. 7, 7-1)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>	2,10	<u>\$158,112</u>	<u>\$158,112</u>
TOTAL EXPENSES		<u>\$1,339,286</u>		<u>\$56,311</u>	<u>\$1,395,597</u>

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
MOYLE CENTRAL VALLEY HEALTHCARE

FISCAL PERIOD ENDED:
DECEMBER 31, 2012

LINE NO.	COST CENTER DESCRIPTION	REPORTED FUNCTIONAL COSTS (SCH. B, COL 7)	ADJ. NO.	ADJUSTMENT AMOUNT(S)	AUDITED FUNCTIONAL COSTS
CAPITAL-RELATED COSTS - OLD					
1.00	Old Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	0		0	0
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
CAPITAL-RELATED COSTS - NEW					
4.00	New Cap. Related-Buildings & Fixtures	\$0		\$0	\$0
4.01		0		0	0
5.00	New Cap. Related-Movable Equipment	0		0	0
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
OTHER CAPITAL-RELATED COSTS					
7.00	Insurance Premiums	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	0		0	0
9.00	Other	0		0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers	\$0		\$0	\$0
12.00	Salaries & Wages of Others	0		0	0
13.00	Payroll Taxes	0		0	0
14.00	Employee Benefits-Payroll Related	0		0	0
15.00	Employee Benefits-Nonpayroll Related	0		0	0
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	0		0	0
18.00	Auditing & Accounting Fees	0		0	0
19.00	Utilities	0		0	0
20.00	Communications	0		0	0
21.00	Travel & Entertainment	0		0	0
22.00	Transportation	0		0	0
23.00	Cleaning, Office & Admin Supplies	0		0	0
24.00	Minor Equipment Expensed	0		0	0
25.00	Repairs & Maintenance	0		0	0
26.00	Dues & Subscriptions	0		0	0
27.00	Contributions	0		0	0
28.00	Insurance Premium-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	0		0	0
30.00	Interest Expense	0		0	0
31.00	Fines and Penalties	0		0	0
32.00	Professional - Other	0		0	0
33.00	State Income Taxes	0		0	0
34.00	Airplane Expenses	0		0	0
35.00	Facility Lease Expenses	0		0	0
35.01	Permits and Fees	0		0	0
35.02		0		0	0
35.03		0		0	0
35.04		0		0	0
35.05		0		0	0
35.06		0		0	0
35.07		0		0	0
35.08		0		0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
(To Sch. 6, 6-1)					
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
TOTAL EXPENSES		<u><u>\$0</u></u>		<u><u>\$0</u></u>	<u><u>\$0</u></u>

Provider Name							Fiscal Period			Provider NPI		Adjustments
MOYLE CENTRAL VALLEY HEALTHCARE							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>												
1	8	B			35.00	6	Direct Cost - Facility Lease Expense	\$853,134	(\$853,134)	\$0		
	8	B			1.00	6	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures	287,998	853,134	1,141,132 *		
	7-1	E-1			1.01	36	Direct Cost - Facility Lease Expense - Kaweah Manor	197,219	(197,219)	0		
	7-1	E-1			1.02	36	Direct Cost - Facility Lease Expense - Merritt Manor	185,813	(185,813)	0		
	7-1	E-1			1.03	36	Direct Cost - Facility Lease Expense - Porterville Convalescent	470,102	(470,102)	0		
	7	E			1.01	10	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures - Kaweah Manor	74,477	197,219	271,696 *		
	7	E			1.02	10	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures - Merritt Manor	15,798	185,813	201,611 *		
	7	E			1.03	10	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures - Porterville Conv.	10,187	470,102	480,289 *		
To reclassify building lease expense from the non-capital related expense schedule to the capital related expenses schedule for proper cost determination. 42 CFR 413.17, 413.20 and 413.24 CMS Pub. 15-1, Sections 2150, 2150.3, 2300 and 2304												
2	8	B			1.00	8	Pooled Costs - Old Cap. Rel. Costs - Bldgs. and Fixtures	\$460,417	(\$169,234)	\$291,183 *		
	8	Not Reported					Direct Cost - Nonreimbursable	0	169,234	169,234 *		
	7	E			19.00	10	Direct Cost - Old Cap. Rel. Cost - Bldgs. And Fixtures - Twin Oaks Assisted	85,124	169,234	254,358 *		
To reclassify pooled interest expense to direct cost to agree with provider's general ledger and due to insufficient documentation. 42 CFR 413.17, 413.20 and 413.134 CMS Pub. 15-1, Sections 202.1, 202.2, 202.3, 2150, 2304 and 2307												
3	8	B			1.00	8	Pooled Costs - Old Cap. Rel. Costs - Bldgs. and Fixtures	* \$291,183	(\$291,183)	\$0		
	8	B			1.00	6	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures	* 1,141,132	291,183	1,432,315 *		
	7	E			1.04	10	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures - Twin Oaks RN	273,791	291,183	564,974 *		
To reclassify pooled interest expense to direct for proper cost allocation. 42 CFR 413.17, 413.20 and 413.134 CMS Pub. 15-1, Sections 102, 2150, 2304 and 2307												

Provider Name							Fiscal Period			Provider NPI		Adjustments
MOYLE CENTRAL VALLEY HEALTHCARE							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		15
Report References												
Cost Report												
Adj. No.	Audit Report	Work Sheet	Part	Title	Line	Col.	Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>												
4	8	B			2.00	8	Pooled Costs - Old Cap. Rel. Costs - Movable Equipment		\$150,532	(\$23,173)	\$127,359 *	
	8	B			2.00	6	Direct Cost - Old Cap. Rel. Costs - Movable Equipment		198,154	23,173	221,327 *	
	7	E			1.04	10	Direct Cost - Old Cap. Rel. Costs - Movable Equipment - Twin Oaks RN	*	564,974	23,173	588,147 *	
							To reclassify pooled interest expense to direct for proper cost allocation.					
							42 CFR 413.17, 413.20 and 413.134					
							CMS Pub. 15-1, Sections 102, 2150, 2304 and 2307					
5	8	B			30.00	8	Pooled Costs- Interest Expense		\$285,149	(\$54,730)	\$230,419 *	
	8	B			1.00	6	Direct Costs - Old Cap. Rel. Costs - Bldgs. and Fixtures	*	1,432,315	54,730	1,487,045 *	
							To reclassify capital pooled interest expense to direct cost capital					
							for proper cost allocation in conjunction with adjustment # 13.					
							42 CFR 413.17, 413.20 and 413.134					
							CMS Pub. 15-1, Sections 102, 2150, 2304 and 2307					

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
MOYLE CENTRAL VALLEY HEALTHCARE							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENTS TO REPORTED COSTS</u>												
6	8	B		2.00	8	Pooled Cost - Old Cap. Rel. Costs - Movable Equipment To adjust the depreciation to agree with provider's detailed depreciation schedules. 42 CFR 413.20, 413.24, 413.50 and 413.134 CMS Pub. 15-1, Sections 102, 2300, 2302 and 2304	*	\$127,359	(\$4,368)	\$122,991 *		
7	8	B		2.00	8	Pooled Cost - Old Cap. Rel. Costs - Movable Equipment To eliminate airplane depreciation as not related to patient care, not prudent and lack of documentation. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2103, 2104.3, 2105.9, 2300 and 2304 W&I Code, Section 14124.2(b)	*	\$122,991	(\$71,491)	\$51,500 *		
8	8	B		2.00	8	Pooled Cost - Old Cap. Rel. Costs - Movable Equipment To eliminate depreciation expense on luxury autos that are fully depreciated and not related to patient care, not prudent and lack of documentation. 42 CFR 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2103, 2104.3, 2105.9, 2300 and 2304 W&I Code, Section 14124.2(b)	*	\$51,500	(\$15,250)	\$36,250 *		
9	7	E		1.03	10	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures - Porterville Conv.	*	\$480,289	(\$470,102)	\$10,187		
	8	B		1.00	6	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures To eliminate rental/lease expenses paid to a related party. 42 CFR 413.17, 413.134(h), 413.20 and 413.24 CMS Pub. 15-1, Sections 1005, 1011.4, 1011.5, 2300 and 2304	*	1,487,045	(470,102)	1,016,943		
10	8	Not Reported				Direct Cost - Nonreimbursable	*	\$169,234	(\$11,122)	\$158,112		
	7	E		19.00	10	Direct Cost - Old Cap. Rel. Cost - Bldgs. And Fixtures - Twin Oaks Assisted To adjust direct interest expense to agree with provider's general ledger and due to insufficient documentation. 42 CFR 413.17, 413.20 and 413.134 CMS Pub. 15-1, Sections 202.1, 202.2, 202.3, 2150, 2304 and 2307	*	254,358	(11,122)	243,236		

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
MOYLE CENTRAL VALLEY HEALTHCARE							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			N/A		15
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Audit Report	Cost Report										
		Work Sheet	Part	Title	Line	Col.						
<u>ADJUSTMENTS TO REPORTED COSTS</u>												
11	7 8	E B			1.04 2.00	10 6	Direct Cost - Old Cap. Rel. Costs - Movable Equipment - Twin Oaks RN Direct Cost - Old Cap. Rel. Costs - Movable Equipment To adjust the reported interest expense to agree with provider's records. 42 CFR 413.17, 413.20 and 413.134 CMS Pub. 15-1, Sections 102, 2150, 2304 and 2307	*	\$588,147 221,327	(\$785) (785)	\$587,362 220,542	
12	8	B			2.00	8	Pooled Cost - Old Cap. Rel. Costs - Movable Equipment To eliminate airplane interest expenses as not related to patient care, not prudent and due to lack of supporting documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2103, 2104.3 and 2105.9	*	\$36,250	(\$35,454)	\$796	
13	7 7	E E			1.01 1.02	10 10	Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures - Kaweah Manor Direct Cost - Old Cap. Rel. Costs - Bldgs. and Fixtures - Merritt Manor To include capital related interest expenses to the direct facility for proper cost allocation and in conjunction with adjustment # 5. 42 CFR 413.17, 413.20 and 413.134 CMS Pub. 15-1, Sections 102, 2150, 2304 and 2307	*	\$271,696 201,611	\$28,938 25,792	\$300,634 227,403	
14	8	B			30.00	8	Pooled Cost - Interest Expense To eliminate interest expenses due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 202.1, 202.2, 202.3, 2102.3, 2051.2, 2300 and 2304.	*	\$230,419	(\$230,419)	\$0	
15	8	B			21.00	8	Pooled Cost - Travel and Entertainment To eliminate airplane expenses as not related to patient care, not prudent and due to lack of documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2103, 2104.3 and 2105.9		\$13,978	(\$2,448)	\$11,530	

*Balance carried forward from prior/to subsequent adjustments