

**REPORT
ON THE
RATE SETTING AUDIT**

**KINDRED TRANSITIONAL & REHAB - Foothill
Glendora, California
National Provider Identifier: 1871670117**

**FISCAL PERIOD ENDED
JUNE 30, 2012**

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

**Section Chief: Michael Harrold
Auditor: Jeanene Lopez**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 19, 2014

Donna Dornbrook
Corporate Director of Reimbursement
Kindred Healthcare, Inc.
680 South Fourth Street
Louisville, KY 40202

KINDRED TRANSITIONAL & REHAB - FOOTHILL
NATIONAL PROVIDER IDENTIFIER (NPI) 1871670117
FISCAL PERIOD ENDED JUNE 30, 2012

We have examined the facility's Integrated Disclosure and Medi-Cal Cost Report for the above-referenced fiscal period. We also examined the facility's use of and Records of Noncovered Services deducted from patient share of cost. 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, patient days, and use of share of cost 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 \$19,856, which resulted from Medi-Cal overpayments
3. Allocation of Home Office Cost

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

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.

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

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

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

United States Postal Service (USPS)

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

Courier (UPS, FedEx, etc.)

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

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

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

Original Signed by

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

ALLOCATION OF GENERAL SERVICES
DIRECT CARE LABOR

Provider Name:
KINDRED TRANSITIONAL & REHAB - Foothill

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1871670117

OSHPD Facility No.:
206194139

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	\$ 96,654	\$ 96,654		
160	Activities	91,806		\$ 91,806	
165	Administration				
166	Medical Records				
170	Inservice Education - Nursing				
ANCILLARY SERVICES					
075	Patient Supplies	0	0	0	0
077	Specialized Support Surfaces	N/A	0	0	0
080	Physical Therapy	0	0	0	0
081	Respiratory Therapy	0	0	0	0
082	Occupational Therapy	0	0	0	0
083	Speech Pathology	0	0	0	0
085	Pharmacy	0	0	0	0
090	Laboratory	0	0	0	0
095	Home Health Services	0	0	0	0
100	Other Ancillary Services	0	0	0	0
101	Subacute Care Ancillary Services	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0
ROUTINE SERVICES					
105	Skilled Nursing Care	5,074,403	96,654	91,806	5,262,863
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	\$ 5,262,863	\$ 96,654	\$ 91,806	\$ 5,262,863

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
KINDRED TRANSITIONAL & REHAB - FOOTHILL

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

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	\$ 102,486	\$ 102,486										
010	Housekeeping	206,027	1,595	\$ 207,622									
060	Laundry and Linen	134,345	4,049	8,332	\$ 146,725								
065	Dietary	500,568	7,431	15,293	0	\$ 523,292							
155	Social Services	N/A	594	1,223	0	0	\$ 1,818						
160	Activities	N/A	6,494	13,365	0	0	0	\$ 19,859					
165	Administration	N/A	8,816	18,142	0	0	0	0		\$ 26,958	\$ 26,958		
166	Medical Records	160,041	587	1,208	0	0	0	0		161,836		\$ 161,836	
170	Inservice Education - Nursing	94,527	1,042	2,145	0	0	0	0	\$ 97,714				
ANCILLARY SERVICES													
075	Patient Supplies		342	705	0	0	0	0	0	1,047	92	550	\$ 1,688
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	13	80	93
080	Physical Therapy		4,496	9,253	0	0	0	0	0	13,749	3,120	18,731	35,601
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy		1,031	2,122	0	0	0	0	0	3,153	2,255	13,536	18,943
083	Speech Pathology		873	1,796	0	0	0	0	0	2,669	181	1,089	3,940
085	Pharmacy		0	0	0	0	0	0	0	0	3,071	18,433	21,504
090	Laboratory		0	0	0	0	0	0	0	0	642	3,853	4,495
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	428	2,567	2,995
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		64,438	132,608	146,725	523,292	1,818	19,859	97,714	986,454	17,125	102,806	1,106,385 *
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		696	1,432	0	0	0	0	0	2,129	32	191	2,351
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 1,197,994	\$ 102,486	\$ 207,622	\$ 146,725	\$ 523,292	\$ 1,818	\$ 19,859	\$ 97,714	\$ 1,009,200	\$ 26,958	\$ 161,836	\$ 1,197,994

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
KINDRED TRANSITIONAL & REHAB - Foothill

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

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	\$ 294,396	\$ 294,396										
010	Housekeeping	20,971	4,583	\$ 25,554									
060	Laundry and Linen	18,769	11,630	1,025	\$ 31,424								
065	Dietary	254,415	21,346	1,882	0	\$ 277,644							
155	Social Services	0	1,708	151	0	0	\$ 1,858						
160	Activities	4,344	18,655	1,645	0	0	0	\$ 24,644					
165	Administration	N/A	25,324	2,233	0	0	0	0		\$ 27,557	\$ 27,557		
166	Medical Records	12,111	1,686	149	0	0	0	0		13,946		\$ 13,946	
170	Inservice Education - Nursing	1,195	2,994	264	0	0	0	0	\$ 4,453				
ANCILLARY SERVICES													
075	Patient Supplies	35,856	984	87	0	0	0	0	0	36,926	94	47	\$ 37,067
077	Specialized Support Surfaces	5,819	0	0	0	0	0	0	0	5,819	14	7	5,840
080	Physical Therapy	1,308,203	12,916	1,139	0	0	0	0	0	1,322,258	3,189	1,614	1,327,061
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	972,139	2,961	261	0	0	0	0	0	975,362	2,305	1,166	978,833
083	Speech Pathology	68,661	2,508	221	0	0	0	0	0	71,390	185	94	71,669
085	Pharmacy	1,340,862	0	0	0	0	0	0	0	1,340,862	3,139	1,588	1,345,589
090	Laboratory	280,256	0	0	0	0	0	0	0	280,256	656	332	281,244
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	186,762	0	0	0	0	0	0	0	186,762	437	221	187,420
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	191,501	185,103	16,321	31,424	277,644	1,858	24,644	4,453	732,948	17,505	8,859	759,312 *
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	5,454	2,000	176	0	0	0	0	0	7,630	32	16	7,679
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 5,001,714	\$ 294,396	\$ 25,554	\$ 31,424	\$ 277,644	\$ 1,858	\$ 24,644	\$ 4,453	\$ 4,960,212	\$ 27,557	\$ 13,946	\$ 5,001,714

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
KINDRED TRANSITIONAL & REHAB - FOOTHILL

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

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)	\$ 499,775	84%							
	Property Tax (line 40)	95,615	16%	\$ 595,390						
005	Plant Operations and Maintenance			17,833	\$ 17,833					
010	Housekeeping			8,991	278	\$ 9,268				
060	Laundry and Linen			22,816	704	372	\$ 23,892			
065	Dietary			41,878	1,293	683	0	\$ 43,854		
155	Social Services			3,350	103	55	0	0	\$ 3,508	
160	Activities			36,598	1,130	597	0	0	0	\$ 38,325
165	Administration			49,681	1,534	810	0	0	0	0
166	Medical Records			3,308	102	54	0	0	0	0
170	Inservice Education - Nursing			5,874	181	96	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			1,930	60	31	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			25,339	782	413	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			5,810	179	95	0	0	0	0
083	Speech Pathology			4,919	152	80	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			363,141	11,212	5,920	23,892	43,854	3,508	38,325
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			3,923	121	64	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 595,390	100%	\$ 595,390	\$ 17,833	\$ 9,268	\$ 23,892	\$ 43,854	\$ 3,508	\$ 38,325

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
KINDRED TRANSITIONAL & REHAB - Foothill

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

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 84% Of Total	Property Tax 16% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 499,775	84%							
	Property Tax (line 40)	95,615	16%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 52,025	\$ 52,025				
166	Medical Records				3,464		\$ 3,464			
170	Inservice Education - Nursing			\$ 6,151						
	ANCILLARY SERVICES									
075	Patient Supplies			0	2,021	177	12	\$ 2,209	\$ 1,854	\$ 355
077	Specialized Support Surfaces			0	0	26	2	27	23	4
080	Physical Therapy			0	26,534	6,022	401	32,957	27,664	5,293
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	6,084	4,351	290	10,725	9,003	1,722
083	Speech Pathology			0	5,151	350	23	5,525	4,638	887
085	Pharmacy			0	0	5,926	395	6,320	5,305	1,015
090	Laboratory			0	0	1,239	82	1,321	1,109	212
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	825	55	880	739	141
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			6,151	496,003	33,049	2,200	531,252	445,937	85,315
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	4,108	61	4	4,173	3,503	670
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 595,390	100%	\$ 6,151	\$ 539,901	\$ 52,025	\$ 3,464	\$ 595,390	\$ 499,775	\$ 95,615

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
KINDRED TRANSITIONAL & REHAB - Foothill

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

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. 71% of Total	DPH Licensing Fees 1% of Total	Professional Liability Ins. 8% of Total	Quality Assur. Fees 20% of Total	Caregiver Training 0% of Total
	GENERAL SERVICES													
045	Property Insurance	\$ 17,539												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	2,020,752												
	Total Costs Allocable as Administration	2,038,291	71%											
167	CDPH Licensing Fees	29,486	1%											
168	Professional Liability Insurance	216,624	8%											
169	Quality Assurance Fees	570,097	20%											
174	Caregiver Training	0	0%											
	Total	2,854,498	100%						\$ 2,854,498					
	ANCILLARY SERVICES													
075	Patient Supplies			\$ -	\$ 1,047	\$ 36,926	\$ 2,021	\$ 39,994	9,698	\$ 6,925	\$ 100	\$ 736	\$ 1,937	\$ -
077	Specialized Support Surfaces			0	0	5,819	0	5,819	1,411	1,008	15	107	282	0
080	Physical Therapy			0	13,749	1,322,258	26,534	1,362,541	330,387	235,917	3,413	25,073	65,984	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	3,153	975,362	6,084	984,598	238,744	170,478	2,466	18,118	47,682	0
083	Speech Pathology			0	2,669	71,390	5,151	79,210	19,207	13,715	198	1,458	3,836	0
085	Pharmacy			0	0	1,340,862	0	1,340,862	325,130	232,163	3,358	24,674	64,935	0
090	Laboratory			0	0	280,256	0	280,256	67,956	48,525	702	5,157	13,572	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	186,762	0	186,762	45,286	32,337	468	3,437	9,044	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			5,262,863	986,454	732,948	496,003	7,478,267	1,813,318	1,294,823	18,731	137,610	362,154	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	2,129	7,630	4,108	13,866	3,362	2,401	35	255	672	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	\$ 2,854,498		\$ 5,262,863	\$ 1,009,200	\$ 4,960,212	\$ 539,901	\$ 11,772,176	\$ 2,854,498					
	Total Administrative Costs							\$ 2,854,498		\$ 2,038,291	\$ 29,486	\$ 216,624	\$ 570,097	\$ -
	Unit Cost Multiplier							0.24247837						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 188,794	\$ 41,502	\$ 55,489	\$ 285,785							
	TOTAL FACILITY COSTS							\$ 14,912,459						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
KINDRED TRANSITIONAL & REHAB - FOOTHILL

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj)	Plant Ops (SQ FT) 5 (Adj 8)	Hskpng (SQ FT) 10 (Adj)	Laundry (LBS) 60 (Adj)	Dietary (MEALS) 65 (Adj)	Soc Srvs (DIRECT EXP) 155 (Adj)	Activities (DIRECT EXP) 160 (Adj)	Inserv. Ed (DIRECT EXP) 170 (Adj)	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	GENERAL SERVICES										
005	Plant Operations and Maintenance	841									
010	Housekeeping	424	424								
060	Laundry and Linen	1,076	1,076	1,076							
065	Dietary	1,975	1,975	1,975							
155	Social Services	158	158	158							
160	Activities	1,726	1,726	1,726							
165	Administration	2,343	2,343	2,343							
166	Medical Records	156	156	156							
170	Inservice Education - Nursing	277	277	277							
	ANCILLARY SERVICES										
075	Patient Supplies	91	91	91						39,994	39,994
077	Specialized Support Surfaces									5,819	5,819
080	Physical Therapy	1,195	1,195	1,195						1,362,541	1,362,541
081	Respiratory Therapy									0	0
082	Occupational Therapy	274	274	274						984,598	984,598
083	Speech Pathology	232	232	232						79,210	79,210
085	Pharmacy									1,340,862	1,340,862
090	Laboratory									280,256	280,256
095	Home Health Services									0	0
100	Other Ancillary Services									186,762	186,762
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	17,126	17,126	17,126	78,746	118,119	5,265,904	5,265,904	5,265,904	7,478,267	7,478,267
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	185	185	185						13,866	13,866
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	28,079	27,238	26,814	78,746	118,119	5,265,904	5,265,904	5,265,904	11,772,176	11,772,176
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ 96,654 0.018354683	\$ 91,806 0.017434044			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 102,486 3.76261106	\$ 207,622 7.74305762	\$ 146,725 1.86327051	\$ 523,292 4.43020764	\$ 1,818 0.00034522	\$ 19,859 0.00377120	\$ 97,714 0.01855599	\$ 26,958 0.00228996	\$ 161,836 0.01374732
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 294,396 10.80828255	\$ 25,554 0.95299887	\$ 31,424 0.39905695	\$ 277,644 2.35054082	\$ 1,858 0.00035289	\$ 24,644 0.00467991	\$ 4,453 0.00084561	\$ 27,557 0.00234083	\$ 13,946 0.00118464
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 595,390 21.20410271	\$ 17,833 0.65469750	\$ 9,268 0.34564523	\$ 23,892 0.30340568	\$ 43,854 0.37126779	\$ 3,508 0.00066623	\$ 38,325 0.00727793	\$ 6,151 0.00116801	\$ 52,025 0.00441932	\$ 3,464 0.00029424

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
KINDRED TRANSITIONAL & REHAB - Foothill

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

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	\$ 73,377	\$ 0	\$ 73,377	(Sch 3)
005	.20-.39	Fringe Benefits	6200	29,109	0	29,109	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	298,639	(4,243)	294,396	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 401,125	\$ (4,243)	\$ 396,882	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$	\$ 0	\$ 0	(Sch 3)
010	.20-.39	Fringe Benefits	6300		0	0	(Sch 3)
010	.79	Agency Staff	6300	206,027	0	206,027	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	20,971	0	20,971	(Sch 4)
010		Housekeeping - Total	6300	\$ 226,998	\$ 0	\$ 226,998	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$ 284,889	\$ 0	\$ 284,889	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	30,855	0	30,855	(Sch 5)
025		Depreciation: Equipment	7140	21,762	0	21,762	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	162,269	0	162,269	(Sch 5)
040		Property Taxes	7300	88,432	7,183	95,615	(Sch 5)
045		Property Insurance	7400	17,539	0	17,539	(Sch 5)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	\$	\$ 0	\$ 0	(Sch 6)
057		Subtotal 005 - 055		\$ 1,233,869	\$ 2,940	\$ 1,236,809	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$	\$ 0	\$ 0	(Sch 3)
060	.20-.39	Fringe Benefits	6400		0	0	(Sch 3)
060	.79	Agency Staff	6400	134,345	0	134,345	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	18,769	0	18,769	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 153,114	\$ 0	\$ 153,114	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 365,307	\$ 0	\$ 365,307	(Sch 3)
065	.20-.39	Fringe Benefits	6500	135,261	0	135,261	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	254,415	0	254,415	(Sch 4)
065		Dietary - Total	6500	\$ 754,983	\$ 0	\$ 754,983	
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	35,856	0	35,856	(Sch 4)
075		Patient Supplies - Total	8100	\$ 35,856	\$ 0	\$ 35,856	
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	5,819	0	5,819	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 5,819	\$ 0	\$ 5,819	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
KINDRED TRANSITIONAL & REHAB - Foothill

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
080		Physical Therapy					
080	.01-.19	Salaries and Wages	8200	\$	\$ 0	\$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200		0	0	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	1,308,203	0	1,308,203	(Sch 4)
080		Physical Therapy - Total	8200	\$ 1,308,203	\$ 0	\$ 1,308,203	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	\$	\$ 0	\$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220		0	0	(Sch 2)
081	.79	Agency Staff	8220		0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220		0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	\$ 0	\$ 0	\$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	\$ 0	\$ 0	\$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250	0	0	0	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	972,139	0	972,139	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 972,139	\$ 0	\$ 972,139	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	\$	\$ 0	\$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280		0	0	(Sch 2)
083	.79	Agency Staff	8280		0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	68,661	0	68,661	(Sch 4)
083		Speech Pathology - Total	8280	\$ 68,661	\$ 0	\$ 68,661	
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	1,340,862	0	1,340,862	(Sch 4)
085		Pharmacy - Total	8300	\$ 1,340,862	\$ 0	\$ 1,340,862	
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	280,256	0	280,256	(Sch 4)
090		Laboratory - Total	8400	\$ 280,256	\$ 0	\$ 280,256	
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	186,762	0	186,762	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 186,762	\$ 0	\$ 186,762	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:

KINDRED TRANSITIONAL & REHAB - Foothill

Fiscal Period:

JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:

1871670117

OSHPD Facility Number:

206194139

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		\$ 4,198,558	\$ 0	\$ 4,198,558	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 3,822,204	\$ (77,318)	\$ 3,744,886	(Sch 2)
105	.20-.39	Fringe Benefits	6110	1,352,483	(27,354)	1,325,129	(Sch 2)
105	.49	Agency Staff	6110	4,388	0	4,388	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	191,501	0	191,501	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 5,370,576	\$ (104,672)	\$ 5,265,904	
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:
KINDRED TRANSITIONAL & REHAB - FOOTHILL

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

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	\$	\$ 0	\$ 0 (Sch 2)
140	.20-.39	Fringe Benefits	8900		0	0 (Sch 2)
140	.49	Agency Staff	8900		0	0 (Sch 2)
140	.40-.99	Other - Nonlabor	8900	5,454	0	5,454 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 5,454	\$ 0	\$ 5,454
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		\$ 5,376,030	\$ (104,672)	\$ 5,271,358
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$ 65,223	\$ 0	\$ 65,223 (Sch 2)
155	.20-.39	Fringe Benefits	6600	31,431	0	31,431 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600		0	0 (Sch 4)
155		Social Services - Total	6600	\$ 96,654	\$ 0	\$ 96,654

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
KINDRED TRANSITIONAL & REHAB - Foothill

Fiscal Period:
JULY 1, 2011 THROUGH JUNE 30, 2012

Provider NPI:
1871670117

OSHPD Facility Number:
206194139

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	\$ 68,154	\$ 0	\$ 68,154	(Sch 2)
160	.20-.39	Fringe Benefits	6700	23,652	0	23,652	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	4,344	0	4,344	(Sch 4)
160		Activities - Total	6700	\$ 96,150	\$ 0	\$ 96,150	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 774,491	\$ 82,819	\$ 857,310	(Sch 6)
165	.20-.39	Fringe Benefits	6900	252,996	163,518	416,514	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	946,528	(199,600)	746,928	(Sch 6)
165		Administration - Total	6900	\$ 1,974,015	\$ 46,737	\$ 2,020,752	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 123,540	\$ 0	\$ 123,540	(Sch 3)
166	.20-.39	Fringe Benefits	6900	36,501	0	36,501	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	13,065	(954)	12,111	(Sch 4)
166		Medical Records - Total	6900	\$ 173,106	\$ (954)	\$ 172,152	
167		CDPH Licensing Fees	6900	\$ 29,486	\$ 0	\$ 29,486	(Sch 6)
168		Professional Liability Insurance	6900	\$ 216,624	\$ 0	\$ 216,624	(Sch 6)
169		Quality Assurance Fees	6900	\$ 570,097	\$ 0	\$ 570,097	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 73,013	\$ 0	\$ 73,013	(Sch 3)
170	.20-.39	Fringe Benefits	6800	21,514	0	21,514	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	1,195	0	1,195	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 95,722	\$ 0	\$ 95,722	
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		\$ 3,251,854	\$ 45,783	\$ 3,297,637	
200		Total		\$ 14,968,408	\$ (55,949)	\$ 14,912,459	

210	0.24	Total Facility Group Health Insurance * (Adj. 1)	6900			\$ 451,003	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name							Fiscal Period			NPI		Adjustments
KINDRED TRANSITIONAL & REHAB - FOOTHILL							JULY 1, 2011 THROUGH JUNE 30, 2012			1871670117		13
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	N/A			8	210	N/A	Total Facility Group Health Insurance To identify health insurance costs for informational purposes only. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			\$0	\$451,003	\$451,003

Provider Name							Fiscal Period	NPI	Adjustments		
KINDRED TRANSITIONAL & REHAB - FOOTHILL							JULY 1, 2011 THROUGH JUNE 30, 2012	1871670117	13		
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<u>RECLASSIFICATIONS OF REPORTED COSTS</u>											
2	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	\$946,528	(\$141,665)	\$804,863 *	
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	774,491	5,501	779,992 *	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	252,996	136,164	389,160 *	
							To reclassify expenses to agree with provider's trial balance.				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300 and 2304				
3	10.5	166	4	8A-1	166	4	Medical Records - Other - Nonlabor	\$13,065	(\$954)	\$12,111	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	* 804,863	954	805,817 *	
							To reclassify provider's offset of medical records sales to appropriate cost center for proper cost determination.				
							42 CFR 413.5, 413.9, 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300, 2304 and 2328				
4	10.5	105	1	8A-1	105	1	Skilled Nursing Care - Salaries and Wages	\$3,822,204	(\$77,318)	\$3,744,886	
	10.5	105	2	8A-1	105	2	Skilled Nursing Care - Fringe Benefits	1,352,483	(27,354)	1,325,129	
	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	* 779,992	77,318	857,310	
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits	* 389,160	27,354	416,514	
							To reclassify case manager expense to agree with AB 1629 reporting requirements.				
							42 CFR 413.20 and 413.24				
							CMS Pub. 15-1, Sections 2300 and 2304				
							CCR, Title 22, Section 52000				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	NPI	Adjustments		
KINDRED TRANSITIONAL & REHAB - FOOTHILL							JULY 1, 2011 THROUGH JUNE 30, 2012	1871670117	13		
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>											
5	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor	\$298,639	(\$4,243)	\$294,396	
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To eliminate cost of expensed assets that should have been capitalized and allow applicable depreciation for audit period. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 104.10, 2300 and 2304	* 805,817	(3,322)	802,495 *	
6	10.5	040	4	8A-1	040	4	Property Taxes To adjust property tax expense to agree with property tax statements. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$88,432	\$7,183	\$95,615	
7	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor To adjust home office costs to agree with the filed Kindred Health Care, Inc. Home Office Cost Reports for fiscal periods ended 12/31/11 and 12/31/12. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	* \$802,495	(\$55,567)	\$746,928	

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period	NPI	Adjustments	
KINDRED TRANSITIONAL & REHAB - FOOTHILL							JULY 1, 2011 THROUGH JUNE 30, 2012	1871670117	13	
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>										
8	10.7	010	2	7	010		Housekeeping (Square Feet)	0	424	424
	10.7	175	2	7	N/A		Total Statistic - Plant Operations	26,814	424	27,238
							To adjust reported square footage statistics to agree with provider's records and for proper cost determination.			
							42 CFR 413.20 and 413.24			
							CMS Pub. 15-1, Sections 2300, 2304, 2306 and 2328			

Provider Name							Fiscal Period	NPI	Adjustments	
KINDRED TRANSITIONAL & REHAB - FOOTHILL							JULY 1, 2011 THROUGH JUNE 30, 2012	1871670117	13	
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>										
9	11(2)	105	1	1	12		Total Patient Days - Skilled Nursing Care To adjust total patient days to agree with provider's patient census. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	40,084	(359)	39,725
10	4.1	5	2	1	15		Medi-Cal Days - Skilled Nursing Care To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: July 1, 2011 through June 30, 2012 Payment Period: July 1, 2011 through September 4, 2013 Report Date: September 20, 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	10,279	(167)	10,112

Provider Name							Fiscal Period			NPI		Adjustments
KINDRED TRANSITIONAL & REHAB - FOOTHILL							JULY 1, 2011 THROUGH JUNE 30, 2012			1871670117		13
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 Reportec			1	14		Overpayments - Skilled Nursing Care	\$0				
11							To recover overpayments for overstated Medi-Cal patient days when patients were in hospice. 42 CFR 433.139, 413.20 and 413.24 and 431.107 CMS Pub. 15-1, Section 2409 CCR, Title 22, Section 51458.1		\$5,241			
12							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		9,557			
13							To recover outstanding Medi-Cal credit balances. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Sections 50761 and 51458.1		<u>5,058</u> \$19,856	\$19,856		