

**REPORT
ON THE
RATE SETTING AUDIT**

**VALLEY CONVALESCENT HOSPITAL
BAKERSFIELD, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1497763528**

**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: Craig Brandon**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 14, 2014

Carlos Cortez, Administrator
Valley Convalescent Hospital
1205 8th Street
Bakersfield, CA 93304

VALLEY CONVALESCENT HOSPITAL
NATIONAL PROVIDER IDENTIFIER (NPI) 1497763528
FISCAL PERIOD ENDED DECEMBER 31, 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, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the accompanying Summary of Audited Facility Cost per Patient Day represents a proper determination of the allowable costs, 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 \$67,053 which resulted from Medi-Cal overpayments

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

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

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

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

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

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

United States Postal Service (USPS)

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

Courier (UPS, FedEx, etc.)

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

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

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

Original Signed by

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

Certified

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility No.:
206150017

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
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SKILLED NURSING CARE

1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	\$	N/A	\$	1,804,552	\$	64.79
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	\$	N/A	\$	597,850	\$	21.46
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	\$	N/A	\$	477,266	\$	17.14
4	Cost of Capital Related (Sch. 5, Ln. 105)	\$	N/A	\$	508,642	\$	18.26
5	Property Taxes (Sch. 5, Ln. 105)	\$	N/A	\$	43,351	\$	1.56
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	\$	N/A	\$	28,081	\$	1.01
7	Professional Liability Insurance (Sch. 6, Ln. 105)	\$	N/A	\$	114,502	\$	4.11
8	Caregiver Training (Sch. 6, Ln. 105)	\$	N/A	\$	0	\$	0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	\$	N/A	\$	385,569	\$	13.84
10	Cost of Administration (Sch. 6, Ln. 105)	\$	N/A	\$	349,788	\$	12.56
11	Cost of Routine Service/Audited Total Costs	\$	4,403,229	\$	4,309,601.69	\$	154.73
12	Total Patient Days (Adj)		27,853		27,853		
13	Cost Per Patient Day (Cost Divided by Days)	\$	158.09	\$	154.73		
14	Overpayments (Adj 18)	\$	0	\$	(67,053)		
15	Medi-Cal Days (Adj 17)		25,348		25,257		
16	Medi-Cal Managed Care Days (Adj)				0		

INTERMEDIATE CARE

17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$		\$	0		
18	Total Patient Days (Adj)				0		
19	Cost Per Patient Day (Cost Divided by Days)	\$	0.00	\$	0.00		
20	Overpayments (Adj)	\$		\$	0		

MENTALLY DISORDERED CARE

21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$		\$	0		
22	Total Patient Days (Adj)				0		
23	Cost Per Patient Day (Cost Divided by Days)	\$	0.00	\$	0.00		
24	Overpayments (Adj)	\$		\$	0		

DEVELOPMENTALLY DISABLED CARE

25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$		\$	0		
26	Total Patient Days (Adj)				0		
27	Cost Per Patient Day (Cost Divided by Days)	\$	0.00	\$	0.00		
28	Overpayments (Adj)	\$		\$	0		

SUBACUTE CARE

29	Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)	\$	N/A	\$	0	\$	0.00
30	Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)	\$	N/A	\$	0	\$	0.00
31	Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27)	\$	N/A	\$	0	\$	0.00
32	Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)	\$	N/A	\$	0	\$	0.00
33	Property Taxes (Subacute Care Sch. 1, Ln. 29)	\$	N/A	\$	0	\$	0.00
34	CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)	\$	N/A	\$	0	\$	0.00
35	Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)	\$	N/A	\$	0	\$	0.00
36	Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)	\$	N/A	\$	0	\$	0.00
37	Caregiver Training (Subacute Care Sch. 1, Ln. 33)	\$	N/A	\$	0	\$	0.00
38	Cost of Administration (Subacute Care Sch. 1, Ln. 34)	\$	N/A	\$	0	\$	0.00
39	Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)	\$	0	\$	0	\$	0.00
40	Total Patient Days (Subacute Care Sch. 1, Ln. 36)		0		0		
41	Cost Per Patient Day (Cost Divided by Days)	\$	0.00	\$	0.00		
42	Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)	\$	0	\$	0		

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		

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility No.:
206150017

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
48	Amount Due Provider (State) (Subacute Care - Pediatric, Sch. 1, Ln. 9)	\$ 0	\$ 0	
TRANSITIONAL INPATIENT CARE				
49	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
50	Total Patient Days (Adj)		0	
51	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
52	Overpayments (Adj)	\$	\$ 0	
HOSPICE INPATIENT CARE				
53	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
54	Total Patient Days (Adj)		0	
55	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
56	Overpayments (Adj)	\$	\$ 0	
OTHER ROUTINE SERVICES				
57	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	\$	\$ 0	
58	Total Patient Days (Adj)		0	
59	Cost Per Patient Day (Cost Divided by Days)	\$ 0.00	\$ 0.00	
60	Overpayments (Adj)	\$	\$ 0	

ALLOCATION OF GENERAL SERVICES
DIRECT CARE LABOR

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility No.:
206150017

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	\$ -	\$ -		
160	Activities	66,740		\$ 66,740	
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	1,737,812	0	66,740	1,804,552 *
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	\$ 1,804,552	\$ -	\$ 66,740	\$ 1,804,552

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 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	\$ 74,476	\$ 74,476										
010	Housekeeping	109,977	66	\$ 110,043									
060	Laundry and Linen	94,872	3,686	5,451	\$ 104,009								
065	Dietary	244,836	11,153	16,494	0	\$ 272,483							
155	Social Services	N/A	657	972	0	0	\$ 1,629						
160	Activities	N/A	789	1,166	0	0	0	\$ 1,955					
165	Administration	N/A	5,149	7,615	0	0	0	0		\$ 12,765	\$ 12,765		
166	Medical Records	38,982	1,703	2,518	0	0	0	0		43,202		\$ 43,202	
170	Inservice Education - Nursing	39,612	669	989	0	0	0	0	\$ 41,271				
ANCILLARY SERVICES													
075	Patient Supplies		102	150	0	0	0	0	0	252	27	90	\$ 369
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy		986	1,458	0	0	0	0	0	2,443	147	499	3,089
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	81	274	355
083	Speech Pathology		0	0	0	0	0	0	0	0	2	7	10
085	Pharmacy		0	0	0	0	0	0	0	0	221	749	970
090	Laboratory		0	0	0	0	0	0	0	0	13	44	57
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	7	22	29
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		49,517	73,229	104,009	272,483	1,629	1,955	41,271	544,093	12,261	41,496	597,850 *
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	0	0	0	0	0	0	0	6	21	27
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 602,755	\$ 74,476	\$ 110,043	\$ 104,009	\$ 272,483	\$ 1,629	\$ 1,955	\$ 41,271	\$ 546,788	\$ 12,765	\$ 43,202	\$ 602,755

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 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	\$ 148,920	\$ 148,920										
010	Housekeeping	17,226	131	\$ 17,357									
060	Laundry and Linen	36,750	7,370	860	\$ 44,980								
065	Dietary	205,100	22,302	2,602	0	\$ 230,003							
155	Social Services	62	1,314	153	0	0	\$ 1,529						
160	Activities	5,566	1,577	184	0	0	0	\$ 7,327					
165	Administration	N/A	10,297	1,201	0	0	0	0		\$ 11,498	\$ 11,498		
166	Medical Records	8,482	3,404	397	0	0	0	0		12,284		\$ 12,284	
170	Inservice Education - Nursing	0	1,338	156	0	0	0	0	\$ 1,494				
ANCILLARY SERVICES													
075	Patient Supplies	5,939	203	24	0	0	0	0	0	6,166	24	26	\$ 6,215
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy	27,622	1,971	230	0	0	0	0	0	29,823	133	142	30,097
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy	21,814	0	0	0	0	0	0	0	21,814	73	78	21,965
083	Speech Pathology	588	0	0	0	0	0	0	0	588	2	2	592
085	Pharmacy	59,639	0	0	0	0	0	0	0	59,639	199	213	60,051
090	Laboratory	3,524	0	0	0	0	0	0	0	3,524	12	13	3,548
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services	1,783	0	0	0	0	0	0	0	1,783	6	6	1,795
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	58,527	99,013	11,551	44,980	230,003	1,529	7,327	1,494	454,424	11,044	11,798	477,266 *
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	1,644	0	0	0	0	0	0	0	1,644	5	6	1,655
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0
	TOTAL	\$ 603,186	\$ 148,920	\$ 17,357	\$ 44,980	\$ 230,003	\$ 1,529	\$ 7,327	\$ 1,494	\$ 579,405	\$ 11,498	\$ 12,284	\$ 603,186

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

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)	\$ 518,096	92%							
	Property Tax (line 40)	44,157	8%	\$ 562,253						
005	Plant Operations and Maintenance			24,583	\$ 24,583					
010	Housekeeping			474	22	\$ 496				
060	Laundry and Linen			26,610	1,217	25	\$ 27,851			
065	Dietary			80,519	3,681	74	0	\$ 84,275		
155	Social Services			4,744	217	4	0	0	\$ 4,965	
160	Activities			5,693	260	5	0	0	0	\$ 5,958
165	Administration			37,176	1,700	34	0	0	0	0
166	Medical Records			12,291	562	11	0	0	0	0
170	Inservice Education - Nursing			4,830	221	4	0	0	0	0
ANCILLARY SERVICES										
075	Patient Supplies			733	34	1	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			7,116	325	7	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			0	0	0	0	0	0	0
085	Pharmacy			0	0	0	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
ROUTINE SERVICES										
105	Skilled Nursing Care			357,484	16,344	330	27,851	84,275	4,965	5,958
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	0	0	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 562,253	100%	\$ 562,253	\$ 24,583	\$ 496	\$ 27,851	\$ 84,275	\$ 4,965	\$ 5,958

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

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 92% Of Total	Property Tax 8% Of Total
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	\$ 518,096	92%							
	Property Tax (line 40)	44,157	8%							
005	Plant Operations and Maintenance									
010	Housekeeping									
060	Laundry and Linen									
065	Dietary									
155	Social Services									
160	Activities									
165	Administration				\$ 38,910	\$ 38,910				
166	Medical Records				12,865		\$ 12,865			
170	Inservice Education - Nursing			\$ 5,056						
	ANCILLARY SERVICES									
075	Patient Supplies			0	767	81	27	\$ 875	\$ 807	\$ 69
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			0	7,448	449	148	8,045	7,414	632
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			0	0	247	82	328	302	26
083	Speech Pathology			0	0	7	2	9	8	1
085	Pharmacy			0	0	674	223	897	827	70
090	Laboratory			0	0	40	13	53	49	4
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	20	7	27	25	2
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			5,056	502,263	37,373	12,357	551,993	508,642	43,351
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	0	19	6	25	23	2
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	\$ 562,253	100%	\$ 5,056	\$ 510,478	\$ 38,910	\$ 12,865	\$ 562,253	\$ 518,096	\$ 44,157

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 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. 40% of Total	DPH Licensing Fees 3% of Total	Professional Liability Ins. 13% of Total	Quality Assur. Fees 44% of Total	Caregiver Training 0% of Total
GENERAL SERVICES														
045	Property Insurance	\$ 13,759												
055	Interest - Other	1,918												
165	Administration (Salaries & Wages, Fringe Benefits, Agency Staff and Other - Nonlabor)	348,492												
	Total Costs Allocable as Administration	364,169	40%											
167	CDPH Licensing Fees	29,235	3%											
168	Professional Liability Insurance	119,210	13%											
169	Quality Assurance Fees	401,421	44%											
174	Caregiver Training	0	0%											
	Total	914,035	100%						\$ 914,035					
ANCILLARY SERVICES														
075	Patient Supplies			\$ -	\$ 252	\$ 6,166	\$ 767	\$ 7,185	1,908	\$ 760	\$ 61	\$ 249	\$ 838	\$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	2,443	29,823	7,448	39,714	10,549	4,203	337	1,376	4,633	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	0	21,814	0	21,814	5,794	2,308	185	756	2,545	0
083	Speech Pathology			0	0	588	0	588	156	62	5	20	69	0
085	Pharmacy			0	0	59,639	0	59,639	15,841	6,311	507	2,066	6,957	0
090	Laboratory			0	0	3,524	0	3,524	936	373	30	122	411	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	1,783	0	1,783	474	189	15	62	208	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			1,804,552	544,093	454,424	502,263	3,305,332	877,941	349,788	28,081	114,502	385,569	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	0	1,644	0	1,644	437	174	14	57	192	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	\$ 914,035		\$ 1,804,552	\$ 546,788	\$ 579,405	\$ 510,478	\$ 3,441,223	\$ 914,035					
	Total Administrative Costs							\$ 914,035		\$ 364,169	\$ 29,235	\$ 119,210	\$ 401,421	\$ -
	Unit Cost Multiplier							0.26561343						
	Accumulated Administration Costs (Sch 2 thru 5)			\$ 55,967	\$ 23,781	\$ 51,775	\$ 131,523							
	TOTAL FACILITY COSTS							\$ 4,486,781						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS (Adj 14)	Plant Ops (SQ FT) 5 (Adj 14)	Hskpng (SQ FT) 10 (Adj 14)	Laundry (LBS) 60 (Adj 15)	Dietary (MEALS) 65 (Adj 16)	Soc Svcs (DIRECT EXP) 155 (Adj)	Activities (DIRECT EXP) 160 (Adj)	Inserv. Ed (DIRECT EXP) 170 (Adj)	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL ACCUM COST)
	GENERAL SERVICES										
005	Plant Operations and Maintenance	570									
010	Housekeeping	11	11								
060	Laundry and Linen	617	617	617							
065	Dietary	1,867	1,867	1,867							
155	Social Services	110	110	110							
160	Activities	132	132	132							
165	Administration	862	862	862							
166	Medical Records	285	285	285							
170	Inservice Education - Nursing	112	112	112							
	ANCILLARY SERVICES										
075	Patient Supplies	17	17	17						7,185	7,185
077	Specialized Support Surfaces									0	0
080	Physical Therapy	165	165	165						39,714	39,714
081	Respiratory Therapy									0	0
082	Occupational Therapy									21,814	21,814
083	Speech Pathology									588	588
085	Pharmacy									59,639	59,639
090	Laboratory									3,524	3,524
095	Home Health Services									0	0
100	Other Ancillary Services									1,783	1,783
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	8,289	8,289	8,289	174,638	83,559	1,796,339	1,796,339	1,796,339	3,305,332	3,305,332
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									1,644	1,644
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	13,037	12,467	12,456	174,638	83,559	1,796,339	1,796,339	1,796,339	3,441,223	3,441,223
	TOTAL DIRECT SALARIES COSTS - SCH. 2 UNIT COST MULTIPLIER (DIRECT SALARIES)						\$ - 0	\$ 66,740 0.037153344			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3 UNIT COST MULTIPLIER (INDIRECT SALARIES)		\$ 74,476 5.97385097	\$ 110,043 8.83451448	\$ 104,009 0.59556775	\$ 272,483 3.26096792	\$ 1,629 0.00090680	\$ 1,955 0.00108816	\$ 41,271 0.02297480	\$ 12,765 0.00370938	\$ 43,202 0.01255437
	TOTAL INDIRECT OTHER COSTS - SCH. 4 UNIT COST MULTIPLIER (INDIRECT OTHER)		\$ 148,920 11.94513516	\$ 17,357 1.39349683	\$ 44,980 0.25756099	\$ 230,003 2.75258471	\$ 1,529 0.00085132	\$ 7,327 0.00407868	\$ 1,494 0.00083165	\$ 11,498 0.00334123	\$ 12,284 0.00356952
	TOTAL CAPITAL COSTS - SCH. 5 UNIT COST MULTIPLIER (CAPITAL COSTS)	\$ 562,253 43.12748332	\$ 24,583 1.97181884	\$ 496 0.03982758	\$ 27,851 0.15947757	\$ 84,275 1.00856587	\$ 4,965 0.00276412	\$ 5,958 0.00331695	\$ 5,056 0.00281438	\$ 38,910 0.01130701	\$ 12,865 0.00373840

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

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	\$ 60,399	\$ 0	\$ 60,399	(Sch 3)
005	.20-.39	Fringe Benefits	6200	14,077	0	14,077	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	172,872	(23,952)	148,920	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	\$ 247,348	\$ (23,952)	\$ 223,396	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	\$ 89,190	\$ 0	\$ 89,190	(Sch 3)
010	.20-.39	Fringe Benefits	6300	20,787	0	20,787	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	17,226	0	17,226	(Sch 4)
010		Housekeeping - Total	6300	\$ 127,203	\$ 0	\$ 127,203	
015		Depreciation: Buildings and Improvements	7110 - 7120	\$	\$ 2,454	\$ 2,454	(Sch 5)
020		Depreciation: Leasehold Improvements	7130		0	0	(Sch 5)
025		Depreciation: Equipment	7140	23,642	0	23,642	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	492,000	0	492,000	(Sch 5)
040		Property Taxes	7300	44,157	0	44,157	(Sch 5)
045		Property Insurance	7400	13,759	0	13,759	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	\$ 1,918	\$ 0	\$ 1,918	(Sch 6)
057		Subtotal 005 - 055		\$ 950,027	\$ (21,498)	\$ 928,529	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	\$ 76,940	\$ 0	\$ 76,940	(Sch 3)
060	.20-.39	Fringe Benefits	6400	17,932	0	17,932	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	36,750	0	36,750	(Sch 4)
060		Laundry and Linen - Total	6400	\$ 131,622	\$ 0	\$ 131,622	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	\$ 198,559	\$ 0	\$ 198,559	(Sch 3)
065	.20-.39	Fringe Benefits	6500	46,277	0	46,277	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	205,100	0	205,100	(Sch 4)
065		Dietary - Total	6500	\$ 449,936	\$ 0	\$ 449,936	
070		Provision for Bad Debts	7700	\$ 637	(637)	\$ 0	
		Ancillary Services					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	\$	\$ 0	\$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	5,939	0	5,939	(Sch 4)
075		Patient Supplies - Total	8100	\$ 5,939	\$ 0	\$ 5,939	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	\$	\$ 0	\$ 0	N/A
077	.20-.39	Fringe Benefits	8150		0	0	N/A
077	.79	Agency Staff	8150		0	0	N/A
077	.40-.99	Other - Nonlabor	8150		0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	\$ 0	\$ 0	\$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

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	27,622	0	27,622	(Sch 4)
080		Physical Therapy - Total	8200	\$ 27,622	\$ 0	\$ 27,622	
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	(Sch 2)
082	.20-.39	Fringe Benefits	8250		0	0	(Sch 2)
082	.79	Agency Staff	8250		0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	21,814	0	21,814	(Sch 4)
082		Occupational Therapy - Total	8250	\$ 21,814	\$ 0	\$ 21,814	
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	588	0	588	(Sch 4)
083		Speech Pathology - Total	8280	\$ 588	\$ 0	\$ 588	
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	59,639	0	59,639	(Sch 4)
085		Pharmacy - Total	8300	\$ 59,639	\$ 0	\$ 59,639	
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	3,524	0	3,524	(Sch 4)
090		Laboratory - Total	8400	\$ 3,524	\$ 0	\$ 3,524	
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	1,783	0	1,783	(Sch 4)
100		Other Ancillary Services - Total	8900	\$ 1,783	\$ 0	\$ 1,783	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

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		\$ 120,909	\$ 0	\$ 120,909	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	\$ 1,409,343	\$ 0	\$ 1,409,343	(Sch 2)
105	.20-.39	Fringe Benefits	6110	328,469	0	328,469	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	71,149	(12,622)	58,527	(Sch 4)
105		Skilled Nursing Care - Total	6110	\$ 1,808,961	\$ (12,622)	\$ 1,796,339	
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:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

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	1,644	0	1,644 (Sch 4)
140		Beauty and Barber - Total	8900	\$ 1,644	\$ 0	\$ 1,644
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		\$ 1,810,605	\$ (12,622)	\$ 1,797,983
155		Social Services				
155	.01-.19	Salaries and Wages	6600	\$	\$ 0	\$ 0 (Sch 2)
155	.20-.39	Fringe Benefits	6600		0	0 (Sch 2)
155	.49	Agency Staff	6600		0	0 (Sch 2)
155	.40-.99	Other - Nonlabor	6600	62	0	62 (Sch 4)
155		Social Services - Total	6600	\$ 62	\$ 0	\$ 62

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

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	\$ 54,125	\$ 0	\$ 54,125	(Sch 2)
160	.20-.39	Fringe Benefits	6700	12,615	0	12,615	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	5,566	0	5,566	(Sch 4)
160		Activities - Total	6700	\$ 72,306	\$ 0	\$ 72,306	
165		Administration					
165	.01-.19	Salaries and Wages	6900	\$ 253,604	\$ (60,000)	\$ 193,604	(Sch 6)
165	.20-.39	Fringe Benefits	6900	59,106	(13,986)	45,120	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	109,007	761	109,768	(Sch 6)
165		Administration - Total	6900	\$ 421,717	\$ (73,225)	\$ 348,492	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	\$ 31,614	\$ 0	\$ 31,614	(Sch 3)
166	.20-.39	Fringe Benefits	6900	7,368	0	7,368	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	8,482	0	8,482	(Sch 4)
166		Medical Records - Total	6900	\$ 47,464	\$ 0	\$ 47,464	
167		CDPH Licensing Fees	6900	\$ 29,235	\$ 0	\$ 29,235	(Sch 6)
168		Professional Liability Insurance	6900	\$ 119,210	\$ 0	\$ 119,210	(Sch 6)
169		Quality Assurance Fees	6900	\$ 401,421	\$ 0	\$ 401,421	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	\$ 32,125	\$ 0	\$ 32,125	(Sch 3)
170	.20-.39	Fringe Benefits	6800	7,487	0	7,487	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800		0	0	(Sch 4)
170		Inservice Education - Nursing - Total	6800	\$ 39,612	\$ 0	\$ 39,612	
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		\$ 1,131,027	\$ (73,225)	\$ 1,057,802	
200		Total		\$ 4,594,763	\$ (107,982)	\$ 4,486,781	

210	0.24	Total Facility Group Health Insurance *(Adj 1)	6900			\$ 125,708	
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* For informational purposes only, this amount is included in various cost centers above.

Provider Name:
VALLEY CONVALESCENT HOSPITAL

Provider NPI:
1497763528

OSHPD Facility Number:
206150017

Fiscal Period:
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Line No.	Sub No.	Description	TOTAL ADJ (Page 1)	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4-7	AUDIT ADJ 8	AUDIT ADJ 9	AUDIT ADJ 10	AUDIT ADJ 11-12	AUDIT ADJ 13
174	3	Caregiver Training - Agency Staff	0								
174	4	Caregiver Training - Other - Nonlabor	0								
200		Total	<u>(\$107,982)</u> (To Sch 8)	<u>0</u>	<u>0</u>	<u>(9,877)</u>	<u>(637)</u>	<u>(24,538)</u>	<u>2,454</u>	<u>(1,398)</u>	<u>(73,986)</u>

Provider Name							Fiscal Period			Provider NPI		Adjustments
VALLEY CONVALESCENT HOSPITAL							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			1497763528		18
Report References							Explanation of Audit Adjustments			As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report									
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No						
<u>MEMORANDUM ADJUSTMENT</u>												
1	Not Reported			8	210	N/A	Total Facility Group Health Insurance To include group health insurance for informational purposes onl 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			\$0	\$125,708	\$125,708

Provider Name				Fiscal Period			Provider NPI		Adjustments	
VALLEY CONVALESCENT HOSPITAL				JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			1497763528		18	
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	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	\$71,149	(\$586)	\$70,563 *
	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor	172,872	586	173,458 *
							To reclassify fire inspection service to the proper cost center. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			
3	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	* \$70,563	(\$10,638)	\$59,925 *
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	109,007	10,638	119,645 *
							To reclassify medical director fees to the appropriate cost center. 42 CFR 413.20, 413.24 and 483.75(i)(2) CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, 52000(b)			

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
VALLEY CONVALESCENT HOSPITAL							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012		1497763528		18
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No					
<u>ADJUSTMENTS TO REPORTED COSTS</u>											
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	\$119,645		
4							To eliminate medical director fees based on lack of documentation and duplication of services. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304			(\$800)	
5							To eliminate prior year's accounting expense. 42 CFR 413.5 and 413.24 CMS Pub. 15-1, Sections 2300 and 2302.1			(1,100)	
6							To eliminate legal fees not related to patient care. 42 CFR 413.9(c)(3) CMS Pub. 15-1, Sections 2102.3, 2105.4, 2105.10, 2183 and 2122.1			(4,038)	
7							To eliminate prior year's legal expenses. 42 CFR 413.5, 413.20, 413.24 and 460.204 CMS Pub. 15-1, Sections 2300, 2302.1 and 2304			<u>(3,939)</u> (\$9,877)	\$109,768
8	10.5	070	4	8A-1	070	4	Provision for Bad Debts To eliminate bad debt expense that is not recognized under the Medi-Cal program. 42 CFR 413.89(b)(1) and 413.178 CMS Pub. 15-1, Section 300		\$637	(\$637)	\$0
9	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor To eliminate flooring expenses that should be capitalized for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	*	\$173,458	(\$24,538)	\$148,920
*Balance carried forward from prior/to subsequent adjustments											

Provider Name							Fiscal Period	Provider NPI		Adjustments
VALLEY CONVALESCENT HOSPITAL							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012	1497763528		18
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Adj. No.	Cost Report			Audit Report						
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENTS TO REPORTED COSTS</u>										
10	10.5	015	4	8A-1	015	4	Depreciation - Buildings and Improvements To include current year depreciation for an asset eliminated in conjunction with adjustment 9. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 102, 2300 and 2304	\$0	\$2,454	\$2,454
	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor	*	\$59,925	
11							To eliminate expenses not included in the rate. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.3, 2300 and 2304 CCR, Title 22, Section 51511(c)		(\$252)	
12							To eliminate consultant fees not included in the rate and billable separately. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304 CCR, Title 22, Section 51511(c)		<u>(1,146)</u> (\$1,398)	\$58,527
13	10.5	165	1	8A-1	165	1	Administration - Salaries and Wages	\$253,604	(\$60,000)	\$193,604
	10.5	165	2	8A-1	165	2	Administration - Fringe Benefits To eliminate owner's salary and benefits due to insufficient documentation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	59,106	(13,986)	45,120

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period			Provider NPI		Adjustments
VALLEY CONVALESCENT HOSPITAL							JANUARY 1, 2012 THROUGH DECEMBER 31, 2012			1497763528		18
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted		
Adj. No.	Cost Report			Audit Report								
	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No						
<u>ADJUSTMENTS TO REPORTED STATISTICS</u>												
14	10.7	005	1	7	005	N/A	Plant Operations and Maintenance (Square Feet)	0	570	570		
	10.7	010	1,2	7	010	N/A	Housekeeping	0	11	11		
	10.7	060	1,2,3	7	060	N/A	Laundry and Linen	0	617	617		
	10.7	065	1,2,3	7	065	N/A	Dietary	0	1,867	1,867		
	10.7	075	1,2,3	7	075	N/A	Patient Supplies	0	17	17		
	10.7	080	1,2,3	7	080	N/A	Physical Therapy	0	165	165		
	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care	0	8,289	8,289		
	10.7	155	1,2,3	7	155	N/A	Social Services	0	110	110		
	10.7	160	1,2,3	7	160	N/A	Activities	0	132	132		
	10.7	165	1,2,3	7	165	N/A	Administration	0	862	862		
	10.7	166	1,2,3	7	166	N/A	Medical Records	0	285	285		
	10.7	170	1,2,3	7	170	N/A	Inservice Education - Nursing	0	112	112		
	10.7	175	1	7	N/A	N/A	Total Statistics - Capital	0	13,037	13,037		
	10.7	175	2	7	N/A	N/A	Total Statistics - Plant Operations and Maintenance	0	12,467	12,467		
	10.7	175	3	7	N/A	N/A	Total Statistics - Housekeeping	0	12,456	12,456		
To include square footage statistics to agree with the provider's records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306												
15	10.7	105	4	7	105	N/A	Skilled Nursing Care (Pounds of Laundry)	0	174,638	174,638		
	10.7	175	4	7	N/A	N/A	Total Statistics - Laundry and Linen	0	174,638	174,638		
To include pounds of laundry statistics to agree with the provider's records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306												
16	10.7	105	5	7	105	N/A	Skilled Nursing Care (Meals Served)	0	83,559	83,559		
	10.7	175	5	7	N/A	N/A	Total Statistics - Dietary	0	83,559	83,559		
To include meals served statistics to agree with the provider's records. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306												

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Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENT TO REPORTED PATIENT DAYS</u>										
17	4.1	5	2	1	15	N/A	Medi-Cal Nursing Facility Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: 01/01/2012 through 12/31/2012 Payment Period: 01/01/2012 through 08/30/2013 Report Date: 08/30/2013 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	25,348	(91)	25,257

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Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No				
<u>ADJUSTMENT TO OTHER MATTERS</u>										
18	N/A			1	14	N/A	Overpayments 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	\$0	\$67,053	\$67,053