

**REPORT
ON THE
HOME OFFICE AUDIT**

**HCR MANOR CARE SERVICES, LLC.
TOLEDO, OHIO**

**FISCAL PERIOD ENDED
DECEMBER 31, 2010**

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

**Section Chief: Robert G. Kvick
Audit Supervisor: Delia Valencia
Auditor: Olivia Huetter**



TOBY DOUGLAS
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 30, 2013

Dean Shipman
Regional Reimbursement Manager
HCR Manor Care
333 North Summit Street
Toledo, Ohio 43604

HCR MANOR CARE SERVICES, LLC.
FISCAL PERIOD ENDED DECEMBER 31, 2010

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended December 31, 2010. 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.

Dean Shipman
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If you have questions regarding this report, you may call the Audits Section—
Sacramento at (916) 650-6994.

Original Signed By

Robert G. Kwick, Chief
Audits Section—Sacramento
Financial Audits Branch

Certified

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SUMMARY OF AUDITED HOME OFFICE CAPITAL AND NONCAPITAL RELATED COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		CAPITAL RELATED (SCHEDULE 3) 1	NONCAPITAL RELATED (SCHEDULE 3-1) 2	TOTAL AUDITED H.O. COSTS (COLUMN 1 + 2) 3	
		FROM	TO				
<u>HEALTH CARE FACILITIES</u>							
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	06/01/10	05/31/11	\$22,590	\$564,625	\$587,215
2.	MANOR CARE OF TICE VALLEY	1609817352	06/01/10	05/31/11	21,800	544,861	566,661
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	06/01/10	05/31/11	24,244	605,959	630,204
4.	MANOR CARE OF SUNNYVALE	1679511331	06/01/10	05/31/11	18,327	458,057	476,383
5.	MANOR CARE OF HEMET	1447298138	06/01/10	05/31/11	24,545	613,469	638,014
6.	MANOR CARE OF WALNUT CREEK	1720035090	06/01/10	05/31/11	25,179	629,320	654,499
7.	MANOR CARE OF PALM DESSERT	1720035090	06/01/10	05/31/11	21,275	531,736	553,011
8.		0			0	0	0
9.		0			0	0	0
10.		0			0	0	0
11.		0			0	0	0
12.		0			0	0	0
13.		0			0	0	0
14.		0			0	0	0
15.		0			0	0	0
16.		0			0	0	0
17.		0			0	0	0
18.		0			0	0	0
19.		0			0	0	0
20.	ALL OTHER FACILITIES	0			15,563,997	102,357,799	117,921,797
SUBTOTAL (LINES 1 THROUGH 20)					\$15,721,957	\$106,305,827	\$122,027,784
<u>OTHER COMPONENTS</u>							
21.	REHAB	0			\$60,523	\$2,269,794	\$2,330,317
22.	MILESTONE	0			35,974	510,916	546,890
23.	HOME HEALTH	0			540,575	30,031,782	30,572,358
24.	VISION	0			0	3	3
25.	OTHER	0			18,383	261,080	279,463
26.	EXCLUDED ON SCHEDULE E	0			991,775	0	991,775
27.		0			0	0	0
28.		0			0	0	0
29.		0			0	0	0
30.		0			0	0	0
31.		0			0	0	0
32.		0			0	0	0
33.		0			0	0	0
34.		0			0	0	0
35.		0			0	0	0
SUBTOTAL (LINES 21 THROUGH 35)					\$1,647,230	\$33,073,576	\$34,720,806
GRAND TOTAL					\$17,369,187	\$139,379,404	\$156,748,591

COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		REPORTED HOME OFFICE COSTS (SCH. 9) 1	AUDITED H.O. COSTS (SCH. 3 & 3-1) 2	VARIANCE (COLUMN 2-1) 3	
		FROM	TO				
<u>HEALTH CARE FACILITIES</u>							
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	06/01/10	05/31/11	\$781,060	\$587,215	(\$193,845)
2.	MANOR CARE OF TICE VALLEY	1609817352	06/01/10	05/31/11	683,154	566,661	(116,493)
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	06/01/10	05/31/11	850,203	630,203	(220,000)
4.	MANOR CARE OF SUNNYVALE	1679511331	06/01/10	05/31/11	655,354	476,383	(178,971)
5.	MANOR CARE OF HEMET	1447298138	06/01/10	05/31/11	944,142	638,014	(306,129)
6.	MANOR CARE OF WALNUT CREEK	1720035090	06/01/10	05/31/11	813,641	654,499	(159,142)
7.	MANOR CARE OF PALM DESSERT	1720035090	06/01/10	05/31/11	692,000	553,011	(138,989)
8.		0			0	0	0
9.		0			0	0	0
10.		0			0	0	0
11.		0			0	0	0
12.		0			0	0	0
13.		0			0	0	0
14.		0			0	0	0
15.		0			0	0	0
16.		0			0	0	0
17.		0			0	0	0
18.		0			0	0	0
19.		0			0	0	0
20.	ALL OTHER FACILITIES	0			141,975,379	117,921,797	(24,053,583)
SUBTOTAL (LINES 1 THROUGH 20)					\$147,394,933	\$122,027,784	(\$25,367,149)
<u>OTHER COMPONENTS</u>							
21.	REHAB	0			\$2,626,933	\$2,330,317	(\$296,616)
22.	MILESTONE	0			730,959	546,890	(184,069)
23.	HOME HEALTH	0			32,994,339	30,572,357	(2,421,982)
24.	VISION	0			5	3	(2)
25.	OTHER	0			372,235	279,463	(92,772)
26.	EXCLUDED ON SCHEDULE E	0			991,775	991,775	0
27.		0			0	0	0
28.		0			0	0	0
29.		0			0	0	0
30.		0			0	0	0
31.		0			0	0	0
32.		0			0	0	0
33.		0			0	0	0
34.		0			0	0	0
35.		0			0	0	0
SUBTOTAL (LINES 21 THROUGH 35)					\$37,716,246	\$34,720,806	(\$2,995,440)
GRAND TOTAL					\$185,111,179	\$156,748,589	(\$28,362,589)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - CAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT CAPITAL COSTS (SCHEDULE 7) 1	FUNCTIONAL CAPITAL COSTS (SCHEDULE 5) 2	POOLED CAPITAL COSTS (SCHEDULE 4) 3	TOTAL CAPITAL COSTS (COL. 1 TO 3)	
		FROM	TO					
<u>HEALTH CARE FACILITIES</u>								
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	06/01/10	05/31/11	\$0	\$0	\$22,590	\$22,590
2.	MANOR CARE OF TICE VALLEY	1609817352	06/01/10	05/31/11	0	0	21,800	21,800
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	06/01/10	05/31/11	0	0	24,244	24,244
4.	MANOR CARE OF SUNNYVALE	1679511331	06/01/10	05/31/11	0	0	18,327	18,327
5.	MANOR CARE OF HEMET	1447298138	06/01/10	05/31/11	0	0	24,545	24,545
6.	MANOR CARE OF WALNUT CREEK	1720035090	06/01/10	05/31/11	0	0	25,179	25,179
7.	MANOR CARE OF PALM DESSERT	1720035090	06/01/10	05/31/11	0	0	21,275	21,275
8.		0			0	0	0	0
9.		0			0	0	0	0
10.		0			0	0	0	0
11.		0			0	0	0	0
12.		0			0	0	0	0
13.		0			0	0	0	0
14.		0			0	0	0	0
15.		0			0	0	0	0
16.		0			0	0	0	0
17.		0			0	0	0	0
18.		0			0	0	0	0
19.		0			0	0	0	0
20.	ALL OTHER FACILITIES	0			11,274,817	0	4,289,180	15,563,997
SUBTOTAL (LINES 1 THROUGH 20)					\$11,274,817	\$0	\$4,447,140	\$15,721,957
<u>OTHER COMPONENTS</u>								
21.	REHAB	0			\$0	\$0	\$60,523	\$60,523
22.	MILESTONE	0			0	0	35,974	35,974
23.	HOME HEALTH	0			0	0	540,575	540,575
24.	VISION	0			0	0	0	0
25.	OTHER	0			0	0	18,383	18,383
26.	EXCLUDED ON SCHEDULE E	0			991,775	0	0	991,775
27.		0			0	0	0	0
28.		0			0	0	0	0
29.		0			0	0	0	0
30.		0			0	0	0	0
31.		0			0	0	0	0
32.		0			0	0	0	0
33.		0			0	0	0	0
34.		0			0	0	0	0
35.		0			0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)					\$991,775	\$0	\$655,455	\$1,647,230
GRAND TOTAL					\$12,266,592	\$0	\$5,102,595	\$17,369,187

(To Schedule 1 & 2)

SUMMARY ALLOCATION OF HOME OFFICE COSTS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT COSTS (SCH. 7-1) 1	FUNCTIONAL COSTS (SCH. 5-1) 2	POOLED COSTS (SCH. 4) 3	TOTAL NONCAPITAL COSTS (COL. 1 TO 3)	
		FROM	TO					
<u>HEALTH CARE FACILITIES</u>								
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	06/01/10	05/31/11	\$243,787	\$0	\$320,838	\$564,625
2.	MANOR CARE OF TICE VALLEY	1609817352	06/01/10	05/31/11	235,254	0	309,607	544,861
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	06/01/10	05/31/11	261,633	0	344,326	605,959
4.	MANOR CARE OF SUNNYVALE	1679511331	06/01/10	05/31/11	197,774	0	260,283	458,057
5.	MANOR CARE OF HEMET	1447298138	06/01/10	05/31/11	264,876	0	348,593	613,469
6.	MANOR CARE OF WALNUT CREEK	1720035090	06/01/10	05/31/11	271,720	0	357,600	629,320
7.	MANOR CARE OF PALM DESSERT	1720035090	06/01/10	05/31/11	229,587	0	302,149	531,736
8.		0			0	0	0	0
9.		0			0	0	0	0
10.		0			0	0	0	0
11.		0			0	0	0	0
12.		0			0	0	0	0
13.		0			0	0	0	0
14.		0			0	0	0	0
15.		0			0	0	0	0
16.		0			0	0	0	0
17.		0			0	0	0	0
18.		0			0	0	0	0
19.		0			0	0	0	0
20.	ALL OTHER FACILITIES	0			41,441,188	0	60,916,611	102,357,799
SUBTOTAL (LINES 1 THROUGH 20)					\$43,145,819	\$0	\$63,160,008	\$106,305,827
<u>OTHER COMPONENTS</u>								
21.	REHAB	0			\$1,410,230	\$0	\$859,564	\$2,269,794
22.	MILESTONE	0			0	0	510,916	510,916
23.	HOME HEALTH	0			22,354,323	0	7,677,459	30,031,782
24.	VISION	0			0	0	3	3
25.	OTHER	0			0	0	261,080	261,080
26.	EXCLUDED ON SCHEDULE E	0			0	0	0	0
27.		0			0	0	0	0
28.		0			0	0	0	0
29.		0			0	0	0	0
30.		0			0	0	0	0
31.		0			0	0	0	0
32.		0			0	0	0	0
33.		0			0	0	0	0
34.		0			0	0	0	0
35.		0			0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)					\$23,764,553	\$0	\$9,309,023	\$33,073,576
GRAND TOTAL					\$66,910,372	\$0	\$72,469,030	\$139,379,404

(To Schedule 1 & 2)

POOLED ALLOCATION OF HOME OFFICE COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (SCH. 8) 2	NONCAPITAL (SCH. 8) 3	TOTAL POOLED (COL. 2 + 3) 4	
HEALTH CARE FACILITIES						
		(Adj. 6)				
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$14,818,926	\$22,590	\$320,838	\$343,429
2.	MANOR CARE OF TICE VALLEY	1609817352	14,300,193	21,800	309,607	331,407
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	15,903,791	24,244	344,326	368,570
4.	MANOR CARE OF SUNNYVALE	1679511331	12,021,977	18,327	260,283	278,609
5.	MANOR CARE OF HEMET	1447298138	16,100,857	24,545	348,593	373,138
6.	MANOR CARE OF WALNUT CREEK	1720035090	16,516,899	25,179	357,600	382,779
7.	MANOR CARE OF PALM DESSERT	1720035090	13,955,719	21,275	302,149	323,424
8.		0	0	0	0	0
9.		0	0	0	0	0
10.		0	0	0	0	0
11.		0	0	0	0	0
12.		0	0	0	0	0
13.		0	0	0	0	0
14.		0	0	0	0	0
15.		0	0	0	0	0
16.		0	0	0	0	0
17.		0	0	0	0	0
18.		0	0	0	0	0
19.		0	0	0	0	0
20.	ALL OTHER FACILITIES	0	2,813,625,297	4,289,180	60,916,611	65,205,792
SUBTOTAL (LINES 1 THROUGH 20)			\$2,917,243,659	\$4,447,140	\$63,160,008	\$67,607,148

OTHER COMPONENTS						
21.	REHAB	0	\$39,701,687	\$60,523	\$859,564	\$920,087
22.	MILESTONE	0	23,598,283	35,974	510,916	546,890
23.	HOME HEALTH	0	354,607,606	540,575	7,677,459	8,218,034
24.	VISION	0	140	0	3	3
25.	OTHER	0	12,058,795	18,383	261,080	279,463
26.	EXCLUDED ON SCHEDULE E	0		0	0	0
27.		0	0	0	0	0
28.		0	0	0	0	0
29.		0	0	0	0	0
30.		0	0	0	0	0
31.		0	0	0	0	0
32.		0	0	0	0	0
33.		0	0	0	0	0
34.		0	0	0	0	0
35.		0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$429,966,511	\$655,455	\$9,309,023	\$9,964,478
GRAND TOTAL			\$3,347,210,170	\$5,102,595	\$72,469,030	\$77,571,626

(To Schedule 3) (To Schedule 3-1)

MULTIPLIER

0.001524 0.021651

FUNCTIONAL ALLOCATION OF EXPENSES TO
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	Old Cap. Related- Buildings & 1.00	1.01	Old Cap. Related- Movable 2.00	2.01	New Cap. Related- Buildings & 4.00	4.01
HEALTH CARE FACILITIES							
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS							
21.	REHAB	0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO
CHAIN COMPONENTS - CAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	New Cap. Related- Movable 5.00	5.01	Auto Lease Expense 7.00	Taxes and Licenses - Not INCM 8.00	Interest Expense 9.00	AUDITED TOTAL CAPITAL
HEALTH CARE FACILITIES							
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS							
21.	REHAB	0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0

(To Schedule 3)

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	0	0	0	0	0	0	0
HEALTH CARE FACILITIES								
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$0	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS								
21.	REHAB	0	0	0	0	0	0	0
22.	MILESTONE	0	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	0	0	0	0	0	0	0
HEALTH CARE FACILITIES								
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$0	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS								
21.	REHAB	0	\$0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	0	0	0	0	0	0	0
HEALTH CARE FACILITIES								
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$0	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0	0
8.		0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS								
21.	REHAB	0	\$0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	0	0	0	0	0	AUDITED TOTAL NONCAPITAL
HEALTH CARE FACILITIES							
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS							
21.	REHAB	0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

HEALTH CARE FACILITIES

	PROVIDER NPI	Facilities (Statistics) (Adj.)	Rehab (Statistics) (Adj.)	Home Health (Statistics) (Adj.)	(Statistics) (Adj.)	(Statistics) (Adj.)	(Statistics) (Adj.)
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	0	0	0	0	0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			0	0	0	0	0

OTHER COMPONENTS

21.	REHAB	0	\$0	0	\$0	0	\$0	0
22.	MILESTONE	0	0			0	0	0
23.	HOME HEALTH	0	0			0	0	0
24.	VISION	0	0			0	0	0
25.	OTHER	0	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			0	0	0	0	0	0
GRAND TOTAL			0	0	0	0	0	0

TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - CAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	(Statistics)	(Statistics)	(Statistics)	(Statistics)	(Statistics)
		(Adj.)				
HEALTH CARE FACILITIES						
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	0	0	0	0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0
8.		0	0	0	0	0
9.		0	0	0	0	0
10.		0	0	0	0	0
11.		0	0	0	0	0
12.		0	0	0	0	0
13.		0	0	0	0	0
14.		0	0	0	0	0
15.		0	0	0	0	0
16.		0	0	0	0	0
17.		0	0	0	0	0
18.		0	0	0	0	0
19.		0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			0	0	0	0
OTHER COMPONENTS						
21.	REHAB	0	\$0	0	\$0	\$0
22.	MILESTONE	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0
24.	VISION	0	0	0	0	0
25.	OTHER	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0
27.		0	0	0	0	0
28.		0	0	0	0	0
29.		0	0	0	0	0
30.		0	0	0	0	0
31.		0	0	0	0	0
32.		0	0	0	0	0
33.		0	0	0	0	0
34.		0	0	0	0	0
35.		0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			0	0	0	0
GRAND TOTAL			0	0	0	0
TOTAL STATISTICS			0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)			\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER			0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

HEALTH CARE FACILITIES

	PROVIDER NPI	Facilities (Statistics) (Adj.)	Rehab (Statistics) (Adj.)	Home Health (Statistics) (Adj.)	(Statistics) (Adj.)	(Statistics) (Adj.)	(Statistics) (Adj.)
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	0	0	0	0	0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			0	0	0	0	0

OTHER COMPONENTS

21.	REHAB	0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0		0	0	0
23.	HOME HEALTH	0	0		0	0	0
24.	VISION	0	0		0	0	0
25.	OTHER	0	0		0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			0	0	0	0	0
GRAND TOTAL			0	0	0	0	0

TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

HEALTH CARE FACILITIES

	PROVIDER NPI	(Statistics) (Adj.)					
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	0	0	0	0	0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			0	0	0	0	0

OTHER COMPONENTS

21.	REHAB	0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			0	0	0	0	0
GRAND TOTAL			0	0	0	0	0

TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

HEALTH CARE FACILITIES

	PROVIDER NPI	(Statistics) (Adj.)					
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	0	0	0	0	0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			0	0	0	0	0

OTHER COMPONENTS

21.	REHAB	0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			0	0	0	0	0
GRAND TOTAL			0	0	0	0	0

TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

HEALTH CARE FACILITIES

	PROVIDER NPI	(Statistics) (Adj.)					
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	0	0	0	0	0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0
8.		0	0	0	0	0	0
9.		0	0	0	0	0	0
10.		0	0	0	0	0	0
11.		0	0	0	0	0	0
12.		0	0	0	0	0	0
13.		0	0	0	0	0	0
14.		0	0	0	0	0	0
15.		0	0	0	0	0	0
16.		0	0	0	0	0	0
17.		0	0	0	0	0	0
18.		0	0	0	0	0	0
19.		0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			0	0	0	0	0

OTHER COMPONENTS

21.	REHAB	0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0
27.		0	0	0	0	0	0
28.		0	0	0	0	0	0
29.		0	0	0	0	0	0
30.		0	0	0	0	0	0
31.		0	0	0	0	0	0
32.		0	0	0	0	0	0
33.		0	0	0	0	0	0
34.		0	0	0	0	0	0
35.		0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			0	0	0	0	0
GRAND TOTAL			0	0	0	0	0

TOTAL STATISTICS	0	0	0	0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)	\$0	\$0	\$0	\$0	\$0	\$0
UNIT COST MULTIPLIER	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS STATISTICS - NONCAPITAL RELATED

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

<u>HEALTH CARE FACILITIES</u>		PROVIDER NPI	(Statistics) (Adj.)	(Statistics) (Adj.)	(Statistics) (Adj.)
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	0	0	0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0
5.	MANOR CARE OF HEMET	1447298138	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0
8.		0	0	0	0
9.		0	0	0	0
10.		0	0	0	0
11.		0	0	0	0
12.		0	0	0	0
13.		0	0	0	0
14.		0	0	0	0
15.		0	0	0	0
16.		0	0	0	0
17.		0	0	0	0
18.		0	0	0	0
19.		0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			0	0	0
<u>OTHER COMPONENTS</u>					
21.	REHAB	0	0	0	0
22.	MILESTONE	0	0	0	0
23.	HOME HEALTH	0	0	0	0
24.	VISION	0	0	0	0
25.	OTHER	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0
27.		0	0	0	0
28.		0	0	0	0
29.		0	0	0	0
30.		0	0	0	0
31.		0	0	0	0
32.		0	0	0	0
33.		0	0	0	0
34.		0	0	0	0
35.		0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			0	0	0
GRAND TOTAL			0	0	0
TOTAL STATISTICS			0	0	0
COST TO BE ALLOCATED (FROM SCHEDULE 8)			\$0	\$0	\$0
UNIT COST MULTIPLIER			0.000000	0.000000	0.000000

DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	REPORTED TOTAL (SCH. E)	INTEREST					AUDITED TOTAL	
			(Adj. 1)	(Adj.)	(Adj.)	(Adj.)	(Adj.)		
<u>HEALTH CARE FACILITIES</u>									
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$73,125	(\$73,125)	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	90,442	(90,442)	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	81,036	(81,036)	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	174,966	(174,966)	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	24,590	(24,590)	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	25,302	(25,302)	0	0	0	0	0
8.		0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	11,274,817	0	0	0	0	0	11,274,817
SUBTOTAL (LINES 1 THROUGH 20)			\$11,744,278	(\$469,461)	\$0	\$0	\$0	\$0	\$11,274,817
<u>OTHER COMPONENTS</u>									
21.	REHAB	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22.	MILESTONE	0	0	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	991,775	0	0	0	0	0	991,775
27.		0	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$991,775	\$0	\$0	\$0	\$0	\$0	\$991,775
GRAND TOTAL			\$12,736,053	(\$469,461)	\$0	\$0	\$0	\$0	\$12,266,592

(To Schedule 3)

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	REPORTED TOTAL (SCH. E-1)	MARKETING	BONUSES						
			(Adj. 2)	(Adj. 3)	(Adj.)	(Adj.)	(Adj.)	(Adj.)	(Adj.)	
HEALTH CARE FACILITIES										
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$248,917	(\$286)	(\$4,844)	\$0	\$0	\$0	\$0	\$0
2.	MANOR CARE OF TICE VALLEY	1609817352	240,204	(276)	(4,674)	0	0	0	0	0
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	267,139	(307)	(5,199)	0	0	0	0	0
4.	MANOR CARE OF SUNNYVALE	1679511331	201,936	(232)	(3,930)	0	0	0	0	0
5.	MANOR CARE OF HEMET	1447298138	270,450	(311)	(5,263)	0	0	0	0	0
6.	MANOR CARE OF WALNUT CREEK	1720035090	277,438	(319)	(5,399)	0	0	0	0	0
7.	MANOR CARE OF PALM DESSERT	1720035090	234,418	(269)	(4,562)	0	0	0	0	0
8.		0	0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	43,548,261	(71,019)	(2,036,054)	0	0	0	0	0
SUBTOTAL (LINES 1 THROUGH 20)			\$45,288,763	(\$73,019)	(\$2,069,925)	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS										
21.	REHAB	0	1,410,230	0	0	0	0	0	0	0
22.	MILESTONE	0	0	0	0	0	0	0	0	0
23.	HOME HEALTH	0	22,354,323	0	0	0	0	0	0	0
24.	VISION	0	0	0	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$23,764,553	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$69,053,316	(\$73,019)	(\$2,069,925)	\$0	\$0	\$0	\$0	\$0

DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI							AUDITED TOTAL	
		(Adj.)	(Adj.)	(Adj.)	(Adj.)	(Adj.)	(Adj.)		
HEALTH CARE FACILITIES									
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	\$0	\$0	\$0	\$0	\$0	\$0	\$243,787
2.	MANOR CARE OF TICE VALLEY	1609817352	0	0	0	0	0	0	235,254
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	0	0	0	0	0	0	261,633
4.	MANOR CARE OF SUNNYVALE	1679511331	0	0	0	0	0	0	197,774
5.	MANOR CARE OF HEMET	1447298138	0	0	0	0	0	0	264,876
6.	MANOR CARE OF WALNUT CREEK	1720035090	0	0	0	0	0	0	271,720
7.	MANOR CARE OF PALM DESSERT	1720035090	0	0	0	0	0	0	229,587
8.		0	0	0	0	0	0	0	0
9.		0	0	0	0	0	0	0	0
10.		0	0	0	0	0	0	0	0
11.		0	0	0	0	0	0	0	0
12.		0	0	0	0	0	0	0	0
13.		0	0	0	0	0	0	0	0
14.		0	0	0	0	0	0	0	0
15.		0	0	0	0	0	0	0	0
16.		0	0	0	0	0	0	0	0
17.		0	0	0	0	0	0	0	0
18.		0	0	0	0	0	0	0	0
19.		0	0	0	0	0	0	0	0
20.	ALL OTHER FACILITIES	0	0	0	0	0	0	0	41,441,188
SUBTOTAL (LINES 1 THROUGH 20)			\$0	\$0	\$0	\$0	\$0	\$0	\$43,145,819
OTHER COMPONENTS									
21.	REHAB	0	0	0	0	0	0	0	1,410,230
22.	MILESTONE	0	0	0	0	0	0	0	0
23.	HOME HEALTH	0	0	0	0	0	0	0	22,354,323
24.	VISION	0	0	0	0	0	0	0	0
25.	OTHER	0	0	0	0	0	0	0	0
26.	EXCLUDED ON SCHEDULE E	0	0	0	0	0	0	0	0
27.		0	0	0	0	0	0	0	0
28.		0	0	0	0	0	0	0	0
29.		0	0	0	0	0	0	0	0
30.		0	0	0	0	0	0	0	0
31.		0	0	0	0	0	0	0	0
32.		0	0	0	0	0	0	0	0
33.		0	0	0	0	0	0	0	0
34.		0	0	0	0	0	0	0	0
35.		0	0	0	0	0	0	0	0
SUBTOTAL (LINES 21 THROUGH 35)			\$0	\$0	\$0	\$0	\$0	\$0	\$23,764,553
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0	\$0	\$66,910,372

(To Schedule 3-1)

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

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	\$0		\$0	\$0
1.01				0	0
2.00	Old Cap. Related-Movable Equipment	242,206		0	242,206
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$242,206</u>		<u>\$0</u>	<u>\$242,206</u>
CAPITAL-RELATED COSTS - NEW					
4.00	New Cap. Related-Buildings & Fixtures	\$488,535		\$0	\$488,535
4.01				0	0
5.00	New Cap. Related-Movable Equipment	3,974,265		0	3,974,265
5.01				0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$4,462,800</u>		<u>\$0</u>	<u>\$4,462,800</u>
OTHER CAPITAL-RELATED COSTS					
7.00	Auto Lease Expense	\$0		\$0	\$0
8.00	Taxes and Licenses - Not INCM	397,589		0	397,589
9.00	Interest Expense	18,180,558	1	(18,180,558)	0
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$18,578,147</u>		<u>(\$18,180,558)</u>	<u>\$397,589</u>
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers	\$1,989,465		\$0	\$1,989,465
12.00	Salaries of Others	35,376,314	2,3	(5,900,930)	29,475,384
13.00	Payroll Taxes	3,689,888		0	3,689,888
14.00	Employee Benefits-Payroll Related	5,479,146		0	5,479,146
15.00	Employee Benefits-Nonpayroll Related	(3,418,880)		0	(3,418,880)
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	676,356	4	(676,356)	0
18.00	Auditing & Accounting Fees	544,029		0	544,029
19.00	Utilities	817,551		0	817,551
20.00	Communications	950,039	2	(5,866)	944,173
21.00	Travel & Entertainment	2,550,673	5	(986,471)	1,564,202
22.00	Transportation	0		0	0
23.00	Cleaning Office & Admin Supplies	2,015,715		0	2,015,715
24.00	Minor Equipment & All Other	174,868		0	174,868
25.00	Repairs & Maintenance	6,117,722		0	6,117,722
26.00	Dues & Subscriptions	105,587		0	105,587
27.00	Contributions	0		0	0
28.00	Insurance Premiums-Non Capital Related	0		0	0
29.00	Taxes & Licenses - Non Capital Related	285,271		0	285,271
30.00	Interest Expense	0		0	0
31.00	Outside Services	20,386,133		0	20,386,133
32.00	Recruiting and Relocation	321,557		0	321,557
33.00	Staff Development	37,736		0	37,736
34.00	Postage & Express Mail	1,484,887		0	1,484,887
35.00	Other	454,596		0	454,596
35.01		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>\$80,038,653</u>		<u>(\$7,569,623)</u>	<u>\$72,469,030</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$103,321,806</u>		<u>(\$25,750,181)</u>	<u>\$77,571,625</u> (To Sch. 4)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
TOTAL EXPENSES		<u>\$103,321,806</u>		<u>(\$25,750,181)</u>	<u>\$77,571,625</u>

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

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	\$570,172		\$0	\$570,172
1.01		0		0	0
2.00	Old Cap. Related-Movable Equipment	73,015	2	(27,880)	45,135
2.01		0		0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	<u>\$643,187</u>		<u>(\$27,880)</u>	<u>\$615,307</u>
CAPITAL-RELATED COSTS - NEW					
4.00	New Cap. Related-Buildings & Fixtures	\$5,032		\$0	\$5,032
4.01				0	0
5.00	New Cap. Related-Movable Equipment	1,315,707		0	1,315,707
5.01				0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	<u>\$1,320,739</u>		<u>\$0</u>	<u>\$1,320,739</u>
OTHER CAPITAL-RELATED COSTS					
7.00	Auto Lease Expense	\$304,719		\$0	\$304,719
8.00	Taxes and Licenses - Not INCM			0	0
9.00	Interest Expense	13,635,147	1	(469,461)	13,165,686
10.00	SUBTOTAL (sum of lines 7 through 9)	<u>\$13,939,866</u>		<u>(\$469,461)</u>	<u>\$13,470,405</u>
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers			\$0	\$0
12.00	Salaries of Others	41,375,806	2,3	(2,098,076)	39,277,730
13.00	Payroll Taxes	4,261,583		0	4,261,583
14.00	Employee Benefits-Payroll Related	9,778,188		0	9,778,188
15.00	Employee Benefits-Nonpayroll Related	(3,062,066)		0	(3,062,066)
16.00	Profit Sharing/Pension Plans	0		0	0
17.00	Legal Fees	39,715		0	39,715
18.00	Auditing & Accounting Fees	29,165		0	29,165
19.00	Utilities	1,009		0	1,009
20.00	Communications	394,795	2	(3,673)	391,122
21.00	Travel & Entertainment	10,007,301	2	(8,298)	9,999,003
22.00	Transportation	0		0	0
23.00	Cleaning Office & Admin Supplies	395,087	2	(1,371)	393,716
24.00	Minor Equipment & All Other	257,249	2	(1,683)	255,566
25.00	Repairs & Maintenance	454		0	454
26.00	Dues & Subscriptions	55,769	2	(228)	55,541
27.00	Contributions	0		0	0
28.00	Insurance Premiums-Non Capital Related	3,803		0	3,803
29.00	Taxes & Licenses - Non Capital Related	358,477		0	358,477
30.00	Interest Expense	0		0	0
31.00	Outside Services	1,772,919	2	(177)	1,772,742
32.00	Recruiting and Relocation	59,400	2	(1,350)	58,050
33.00	Staff Development	100,227	2	(55)	100,172
34.00	Postage & Express Mail	5,751	2	(150)	5,601
35.00	Other	50,945		0	50,945
35.01		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>\$65,885,577</u>		<u>(\$2,115,061)</u>	<u>\$63,770,516</u>
37.00	TOTAL ALLOWABLE EXPENSES	<u>\$81,789,369</u>		<u>(\$2,612,402)</u>	<u>\$79,176,967</u>
					(To Sch. 7, 7-1)
38.00	NONREIMBURSABLE EXPENSES	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>
	TOTAL EXPENSES	<u>\$81,789,369</u>		<u>(\$2,612,402)</u>	<u>\$79,176,967</u>

TRIAL BALANCE OF EXPENSES

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

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
1.01				0	0
2.00	Old Cap. Related-Movable Equipment			0	0
2.01				0	0
3.00	SUBTOTAL (sum of lines 1 through 2.01)	\$0		\$0	\$0
CAPITAL-RELATED COSTS - NEW					
4.00	New Cap. Related-Buildings & Fixtures			\$0	\$0
4.01				0	0
5.00	New Cap. Related-Movable Equipment			0	0
5.01		0		0	0
6.00	SUBTOTAL (sum of lines 4 through 5.01)	\$0		\$0	\$0
OTHER CAPITAL-RELATED COSTS					
7.00	Auto Lease Expense			\$0	\$0
8.00	Taxes and Licenses - Not INCM			0	0
9.00	Interest Expense			0	0
10.00	SUBTOTAL (sum of lines 7 through 9)	\$0		\$0	\$0
NON CAPITAL-RELATED COSTS					
11.00	Salaries of Officers			\$0	\$0
12.00	Salaries of Others			0	0
13.00	Payroll Taxes			0	0
14.00	Employee Benefits-Payroll Related			0	0
15.00	Employee Benefits-Nonpayroll Related			0	0
16.00	Profit Sharing/Pension Plans			0	0
17.00	Legal Fees			0	0
18.00	Auditing & Accounting Fees			0	0
19.00	Utilities			0	0
20.00	Communications			0	0
21.00	Travel & Entertainment			0	0
22.00	Transportation			0	0
23.00	Cleaning Office & Admin Supplies			0	0
24.00	Minor Equipment & All Other			0	0
25.00	Repairs & Maintenance			0	0
26.00	Dues & Subscriptions			0	0
27.00	Contributions			0	0
28.00	Insurance Premiums-Non Capital Related			0	0
29.00	Taxes & Licenses - Non Capital Related			0	0
30.00	Interest Expense			0	0
31.00	Outside Services			0	0
32.00	Recruiting and Relocation			0	0
33.00	Staff Development			0	0
34.00	Postage & Express Mail			0	0
35.00	Other			0	0
35.01				0	0
35.02				0	0
35.03				0	0
35.04				0	0
35.05				0	0
35.06				0	0
35.07				0	0
35.08				0	0
36.00	SUBTOTAL (sum of lines 11 through 35.08)	\$0		\$0	\$0
37.00	TOTAL ALLOWABLE EXPENSES	\$0		\$0	\$0
(To Sch. 6, 6-1)					
38.00	NONREIMBURSABLE EXPENSES	\$0		\$0	\$0
TOTAL EXPENSES		\$0		\$0	\$0

REPORTED HOME OFFICE COSTS

HOME OFFICE NAME:
HCR MANOR CARE SERVICES, LLC.

FISCAL PERIOD ENDED:
DECEMBER 31, 2010

	PROVIDER NPI	FISCAL PERIODS ENDING DURING HOME OFFICE FISCAL YEAR		DIRECT ALLOCATION		FUNCTIONAL ALLOCATION		POOLED ALLOCATION		TOTAL ALLOCATION HOME OFFICE COSTS	
		FROM	TO	CAPITAL RELATED COSTS (SCH. E)	NON-CAPITAL RELATED COSTS (SCH. E-1)	CAPITAL RELATED COSTS (SCH. F)	NON-CAPITAL RELATED COSTS (SCH. F-1)	CAPITAL RELATED COSTS (SCH. G)	NON-CAPITAL RELATED COSTS (SCH. G)		
HEALTH CARE FACILITIES											
1.	MANOR CARE OF CITRUS HEIGHTS	1003853979	06/01/10	05/31/11	\$73,125	\$248,917			\$80,769	\$378,249	\$781,060
2.	MANOR CARE OF TICE VALLEY	1609817352	06/01/10	05/31/11	0	240,204			77,942	365,008	683,154
3.	MANOR CARE OF FOUNTAIN VALLEY	1366187228	06/01/10	05/31/11	90,442	267,139			86,682	405,940	850,203
4.	MANOR CARE OF SUNNYVALE	1679511331	06/01/10	05/31/11	81,036	201,936			65,525	306,857	655,354
5.	MANOR CARE OF HEMET	1447298138	06/01/10	05/31/11	174,966	270,450			87,756	410,970	944,142
6.	MANOR CARE OF WALNUT CREEK	1720035090	06/01/10	05/31/11	24,590	277,438			90,024	421,589	813,641
7.	MANOR CARE OF PALM DESSERT	1720035090	06/01/10	05/31/11	25,302	234,418			76,064	356,216	692,000
8.											0
9.											0
10.											0
11.											0
12.											0
13.											0
14.											0
15.											0
16.											0
17.											0
18.											0
19.											0
20.	ALL OTHER FACILITIES				11,274,817	43,548,261			15,335,363	71,816,938	141,975,379
SUBTOTAL (LINES 1 THROUGH 20)					\$11,744,278	\$45,288,763	\$0	\$0	\$15,900,125	\$74,461,767	\$147,394,933
OTHER COMPONENTS											
21.	REHAB				\$0	\$1,410,230			\$214,092	\$1,002,611	\$2,626,933
22.	MILESTONE				0	0			128,620	602,339	730,959
23.	HOME HEALTH				0	22,354,323			1,872,223	8,767,793	32,994,339
24.	VISION				0	0			1	4	5
25.	OTHER				0	0			65,499	306,736	372,235
26.	EXCLUDED ON SCHEDULE E				991,775						991,775
27.											0
28.											0
29.											0
30.											0
31.											0
32.											0
33.											0
34.											0
35.											0
SUBTOTAL (LINES 21 THROUGH 35)					\$991,775	\$23,764,553	\$0	\$0	\$2,280,435	\$10,679,483	\$37,716,246
GRAND TOTAL					\$12,736,053	\$69,053,316	\$0	\$0	\$18,180,560	\$85,141,250	\$185,111,179

Provider Name							Fiscal Period	Provider NPI		Adjustments	
HCR MANOR CARE SERVICES, LLC							JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	N/A		6	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col					
ADJUSTMENTS TO REPORTED COSTS											
1	E-G	378	10	7	1.00	1	Manor Care Of Citrus Heights	\$73,125	(\$73,125)	\$0	
	E-G	387	10	7	3.00	1	Manor Care Of Fountain Valley	90,442	(90,442)	0	
	E-G	471	10	7	4.00	1	Manor Care Of Sunnyvale	81,036	(81,036)	0	
	E-G	478	10	7	5.00	1	Manor Care Of Hemet	174,966	(174,966)	0	
	E-G	479	10	7	6.00	1	Manor Care of Walnut Creek	24,590	(24,590)	0	
	E-G	489	10	7	7.00	1	Manor Care Of Palm Dessert	25,302	(25,302)	0	
	B	9	6	8	9.00	8	Interest Expense	18,180,558	(18,180,558)	0	
	B	9	7-10	8	9.00	6	Interest Expense	13,635,147	(469,461)	13,165,686	
							To eliminate interest expense already included at the facility level for proper cost finding. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
2	E-G	378	10	7-1	1.00	1	Manor Care Of Citrus Heights	\$248,917	(\$286)	\$248,631 *	
	E-G	381	10	7-1	2.00	1	Manor Care of Tice Valley	240,204	(276)	239,928 *	
	E-G	387	10	7-1	3.00	1	Manor Care Of Fountain Valley	267,139	(307)	266,832 *	
	E-G	471	10	7-1	4.00	1	Manor Care Of Sunnyvale	201,936	(232)	201,704 *	
	E-G	478	10	7-1	5.00	1	Manor Care Of Hemet	270,450	(311)	270,139 *	
	E-G	479	10	7-1	6.00	1	Manor Care of Walnut Creek	277,438	(319)	277,119 *	
	E-G	489	10	7-1	7.00	1	Manor Care Of Palm Dessert	234,418	(269)	234,149 *	
	E-G	N/A	10	7-1	20.00	1	All Other Facilities	43,548,261	(71,019)	43,477,242 *	
	B	12	6	8	12	8	Salaries of Others	35,376,314	(918)	35,375,396 *	
	B	20	6	8	20	8	Communications	950,039	(5,866)	944,173	
	B	2	7-10	8	2	6	Moveable Equipment Rental	73,015	(27,880)	45,135	
	B	12	7-10	8	12	6	Salaries of Others	41,375,806	(28,152)	41,347,654 *	
	B	20	7-10	8	20	6	Communications	394,795	(3,673)	391,122	
	B	21	7-10	8	21	6	Travel & Entertainment	10,007,301	(8,298)	9,999,003	
	B	23	7-10	8	23	6	Cleaning, Office, and Administrative Supplies	395,087	(1,371)	393,716	
	B	24	7-10	8	24	6	Minor Equipment and All Other	257,249	(1,683)	255,566	
	B	26	7-10	8	26	6	Dues and Subscriptions	55,769	(228)	55,541	
	B	31	7-10	8	31	6	Outside Services	1,772,919	(177)	1,772,742	
	B	32	7-10	8	32	6	Recruiting and Relocation	59,400	(1,350)	58,050	

-Continued on next page-

Provider Name							Fiscal Period	Provider NPI		Adjustments	
HCR MANOR CARE SERVICES, LLC							JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	N/A		6	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col					
ADJUSTMENTS TO REPORTED COSTS											
-Continued from previous page-											
2	B	33	7-10	8	33	6	Staff Development	100,227	(55)	100,172	
	B	34	7-10	8	34	6	Postage and Express Mail	5,751	(150)	5,601	
							To eliminate marketing expenses not related to patient care. 42 CFR 413.9(c)(3) / CMS Pub. 15-1, Sections 2102.3 and 2105				
3	E-G	378	10	7-1	1.00	1	Manor Care Of Citrus Heights	* \$248,631	(\$4,844)	\$243,787	
	E-G	381	10	7-1	2.00	1	Manor Care of Tice Valley	* 239,928	(4,674)	235,254	
	E-G	387	10	7-1	3.00	1	Manor Care Of Fountain Valley	* 266,832	(5,199)	261,633	
	E-G	471	10	7-1	4.00	1	Manor Care Of Sunnysvale	* 201,704	(3,930)	197,774	
	E-G	478	10	7-1	5.00	1	Manor Care Of Hemet	* 270,139	(5,263)	264,876	
	E-G	479	10	7-1	6.00	1	Manor Care of Walnut Creek	* 277,119	(5,399)	271,720	
	E-G	489	10	7-1	7.00	1	Manor Care Of Palm Dessert	* 234,149	(4,562)	229,587	
	E-G	N/A	10	7-1	20.00	1	All Other Facilities	* 43,477,242	(2,036,054)	41,441,188	
	B	12	6	8	12	8	Salaries of Others	* 35,375,396	(5,900,012)	29,475,384	
	B	12	7-10	8	12	6	Salaries of Others	* 41,347,654	(2,069,924)	39,277,730	
							To eliminate bonus expense that is only available to managers and directors and lack of documentation that the bonuses were necessary, proper, reasonable and prudent. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2102.1, 2102.2, 2102.3, 2103, 2105.8, 2140.3B, and 2144.3				
4	B	17	6	8	17	8	Legal Fees	\$676,356	(\$676,356)	\$0	
							To eliminate legal fees due to insufficient documentation that the matter is related to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304				
5	B	21	6	8	21	8	Travel and Entertainment	\$2,550,673	(\$986,471)	\$1,564,202	
							To eliminate executive jet expense not related to patient care. 42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2102.3, 2300 and 2304				

*Balance carried forward from prior/to subsequent adjustments

Provider Name							Fiscal Period		Provider NPI		Adjustments
HCR MANOR CARE SERVICES, LLC							JANUARY 1, 2010 THROUGH DECEMBER 31, 2010		N/A		6
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted	
Cost Report			Audit Report								
Adj. No.	Page or Exhibit	Line	Col.	Sch.	Line	Col					
<u>ADJUSTMENTS TO REPORTED STATISTICS</u>											
6	E-G	R	6	4	21	1	Rehab (Accumulated Costs)	\$39,280,015	\$421,672	\$39,701,687	
	E-G	H	6	4	23	1	Home Health	343,502,320	11,105,286	354,607,606	
	E-G	O	6	4	25	1	Other	12,017,211	41,584	12,058,795	
	E-G	N/A	6	4	36	1	Total Accumulated Costs	335,641,627	11,568,542	347,210,169	
							To eliminate entities with negative total costs from the allocation statistics for proper cost findings. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				