REPORT
ON THE
RATE SETTING AUDIT

VALLEY HEALTHCARE CENTER, LLC
FRESNO, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1508854795

FISCAL PERIOD ENDED
DECEMBER 31, 2010

Audits Section—Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Teri Hung

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

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

Date: June 20, 2012

Eddie Reardon
Director of Financial Operations and Reimbursement
Skilled Healthcare, LLC
27442 Portola Parkway, Suite 200
Foothill Ranch, CA 92610

VALLEY HEALTHCARE CENTER, LLC
NATIONAL PROVIDER IDENTIFIER (NPI) 1508854795
FISCAL PERIOD ENDED DECEMBER 31, 2010

We have examined the facility's Integrated Disclosure and Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, 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 and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles.

This audit report includes the:

1. Summary of Audited Facility Cost per Patient Day and supporting schedules

2. Audit Adjustments Schedule

3. Audited Allocation of Home Office Cost

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 Medi-Cal Benefits, Waiver Analysis and Rates 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.

605 West Santa Ana Blvd., Building 28, Room 830, Santa Ana, CA 92701
(714) 558-4434 / (714) 558-4179 fax
Internet Address: www.dhcs.ca.gov

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—Santa Ana at (714) 558-4434.

(***Original signed by Margaret Varho***)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

STATE OF CALIFORNIA

SCHEDULE 1

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility No.:
206100820

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
	SKILLED NURSING CARE			
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	$ N/A	$ 2,261,429	$ 67.78
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	$ N/A	$ 510,458	$ 15.30
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	$ N/A	$ 538,869	$ 16.15
4	Cost of Capital Related (Sch. 5, Ln. 105)	$ N/A	$ 460,285	$ 13.80
5	Property Taxes (Sch. 5, Ln. 105)	$ N/A	$ 26,036	$ 0.78
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	$ N/A	$ 20,659	$ 0.62
7	Professional Liability Insurance (Sch. 6, Ln. 105)	$ N/A	$ 205,944	$ 6.17
8	Caregiver Training (Sch. 6, Ln. 105)	$ N/A	$ 0	$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	$ N/A	$ 300,617	$ 9.01
10	Cost of Administration (Sch. 6, Ln. 105)	$ N/A	$ 1,249,174	$ 37.44
11	Cost of Routine Service/Audited Total Costs	$ 6,669,123	$ 5,573,469	$ 167.05
12	Total Patient Days (Adj)	33,365	33,365	
13	Cost Per Patient Day (Cost Divided by Days)	$ 199.88	$ 167.05	
14	Overpayments (Adj)	$ 0	$ 0	
15	Medi-Cal Days (Adj 8)	25,519	25,140	
16	Medi-Cal Managed Care Days (Adj 9)		379	
	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	

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility No.:
206100820

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
	SUBACUTE CARE - PEDIATRIC			
43	Cost of Routine Service (Subacute Care - Pediatric, Sch. 1, Ln 3)	$ 0	$ 0	
44	Cost of Ancillary Service (Subacute Care - Pediatric, Sch. 1, Ln. 1 + Ln. 2)	$ 0	$ 0	
45	Total Cost of Subacute Care - Pediatric Service (Ln. 42 + Ln. 43)	$ 0	$ 0	
46	Total Patient Days (Subacute Care - Pediatric, Sch. 1, Ln. 5)	0	0	
47	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
48	Amount Due Provider (State) (Subacute Care - Pediatric, Sch. 1, Ln. 9)	$ 0	$ 0	
	TRANSITIONAL INPATIENT CARE			
49	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	$	$ 0	
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 HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility No.:
206100820

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs 155	Activities 160	Total	
	GENERAL SERVICES					
005	Plant Operations and Maintenance					
010	Housekeeping					
060	Laundry and Linen					
065	Dietary					
155	Social Services	$ 46,337	$ 46,337			
160	Activities	57,561		$ 57,561		
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	12	0	0	12	
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	2,157,531	46,337	57,561	2,261,429	*
110	Intermediate Care	0	0	0	0	*
115	Mentally Disordered Care	0	0	0	0	*
120	Developmentally Disabled Care	0	0	0	0	*
125	Subacute Care	0	0	0	0	*
126	Subacute Care - Pediatric	0	0	0	0	*
128	Transitional Inpatient Care	0	0	0	0	*
130	Hospice Inpatient Care	0	0	0	0	*
135	Other Routine Services	0	0	0	0	*
	NONREIMBURSABLE					
139	Residential Care	0	0	0	0	
140	Beauty and Barber	0	0	0	0	
145	Other Nonreimbursable	0	0	0	0	
	TOTAL	$ 2,261,441	$ 46,337	$ 57,561	$ 2,261,441	

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name: VALLEY HEALTHCARE CENTER, LLC
Provider NPI: 1508854795
OSHPD Facility Number: 206100820
Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 005	Hskpng 010	Laundry 060	Dietary 065	Soc Srvs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total	
	GENERAL SERVICES													
005	Plant Operations and Maintenance	$ 38,761	$ 38,761											
010	Housekeeping	119,921	407	$ 120,328										
060	Laundry and Linen	54,229	1,726	5,414	$ 61,369									
065	Dietary	194,049	4,266	13,383	0	$ 211,698								
155	Social Services	N/A	0	0	0	0	$ -							
160	Activities	N/A	1,493	4,683	0	0	0	$ 6,176						
165	Administration	N/A	1,617	5,072	0	0	0	0		$ 6,689	$ 6,689			
166	Medical Records	38,382	77	241	0	0	0	0		38,699		$ 38,699		
170	Inservice Education - Nursing	87,780	1,440	4,517	0	0	0	0	$ 93,736					
	ANCILLARY SERVICES													
075	Patient Supplies		667	2,092	0	0	0	0	0	2,758	165	956	$ 3,879	
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	32	188	220	
080	Physical Therapy		1,767	5,544	0	0	0	0	0	7,311	569	3,291	11,170	
081	Respiratory Therapy		27	83	0	0	0	0	0	110	1	5	116	
082	Occupational Therapy		0	0	0	0	0	0	0	0	453	2,619	3,071	
083	Speech Pathology		0	0	0	0	0	0	0	0	192	1,113	1,305	
085	Pharmacy		62	194	0	0	0	0	0	256	176	1,018	1,450	
090	Laboratory		0	0	0	0	0	0	0	0	31	178	209	
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	21	119	139	
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		24,969	78,337	61,369	211,698	0	6,176	93,736	476,285	5,036	29,136	510,458	*
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		245	768	0	0	0	0	0	1,013	13	78	1,104	
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0	
	TOTAL	$ 533,122	$ 38,761	$ 120,328	$ 61,369	$ 211,698	$ -	$ 6,176	$ 93,736	$ 487,734	$ 6,689	$ 38,699	$ 533,122	

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name: VALLEY HEALTHCARE CENTER, LLC
Provider NPI: 1508854795
OSHPD Facility Number: 206100820
Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 5	Hskpng 10	Laundry 60	Dietary 65	Soc Srvs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total	
	GENERAL SERVICES													
005	Plant Operations and Maintenance	$ 205,924	$ 205,924											
010	Housekeeping	21,388	2,163	$ 23,551										
060	Laundry and Linen	14,741	9,169	1,060	$ 24,969									
065	Dietary	202,401	22,663	2,619	0	$ 227,683								
155	Social Services	0	0	0	0	0	$ -							
160	Activities	6,504	7,930	917	0	0	0	$ 15,351						
165	Administration	N/A	8,589	993	0	0	0	0		$ 9,581	$ 9,581			
166	Medical Records	0	407	47	0	0	0	0		455		$ 455		
170	Inservice Education - Nursing	0	7,648	884	0	0	0	0	$ 8,532					
	ANCILLARY SERVICES													
075	Patient Supplies	106,658	3,542	409	0	0	0	0	0	110,609	237	11	$ 110,857	
077	Specialized Support Surfaces	24,083	0	0	0	0	0	0	0	24,083	46	2	24,132	
080	Physical Therapy	379,915	9,388	1,085	0	0	0	0	0	390,388	815	39	391,241	
081	Respiratory Therapy	0	141	16	0	0	0	0	0	157	1	0	159	
082	Occupational Therapy	335,937	0	0	0	0	0	0	0	335,937	648	31	336,616	
083	Speech Pathology	142,776	0	0	0	0	0	0	0	142,776	276	13	143,065	
085	Pharmacy	129,139	329	38	0	0	0	0	0	129,506	252	12	129,770	
090	Laboratory	22,808	0	0	0	0	0	0	0	22,808	44	2	22,854	
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0	
100	Other Ancillary Services	15,249	0	0	0	0	0	0	0	15,249	29	1	15,280	
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	106,791	132,654	15,332	24,969	227,683	0	15,351	8,532	531,313	7,214	342	538,869	*
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	4,092	1,301	150	0	0	0	0	0	5,543	19	1	5,563	
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0	
	TOTAL	$ 1,718,406	$ 205,924	$ 23,551	$ 24,969	$ 227,683	$ -	$ 15,351	$ 8,532	$ 1,708,370	$ 9,581	$ 455	$ 1,718,406	

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Capital Various	Plant Ops 5	Hskpng 10	Laundry 60	Dietary 65	Soc Srvs 155	Activities 160
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	$ 501,978	95%							
	Property Tax (line 40)	28,394	5%	$ 530,372						
005	Plant Operations and Maintenance			24,634	$ 24,634					
010	Housekeeping			5,312	259	$ 5,571				
060	Laundry and Linen			22,517	1,097	251	$ 23,865			
065	Dietary			55,658	2,711	620	0	$ 58,989		
155	Social Services			0	0	0	0	0	$ -	
160	Activities			19,477	949	217	0	0	0	$ 20,642
165	Administration			21,093	1,027	235	0	0	0	0
166	Medical Records			1,001	49	11	0	0	0	0
170	Inservice Education - Nursing			18,784	915	209	0	0	0	0
	ANCILLARY SERVICES									
075	Patient Supplies			8,699	424	97	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			23,056	1,123	257	0	0	0	0
081	Respiratory Therapy			346	17	4	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			808	39	9	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			325,791	15,869	3,627	23,865	58,989	0	20,642
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
	NONREIMBURSABLE									
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			3,195	156	36	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	$ 530,372	100%	$ 530,372	$ 24,634	$ 5,571	$ 23,865	$ 58,989	$ -	$ 20,642

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

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 95% Of Total	Property Tax 5% Of Total	
	GENERAL SERVICES										
	Capital Related (excluding lines 40 & 45)	$ 501,978	95%								
	Property Tax (line 40)	28,394	5%								
005	Plant Operations and Maintenance										
010	Housekeeping										
060	Laundry and Linen										
065	Dietary										
155	Social Services										
160	Activities										
165	Administration				$ 22,356	$ 22,356					
166	Medical Records				1,061		$ 1,061				
170	Inservice Education - Nursing			$ 19,908							
	ANCILLARY SERVICES										
075	Patient Supplies			0	9,220	552	26	$ 9,798	$ 9,273	$ 525	
077	Specialized Support Surfaces			0	0	108	5	114	108	6	
080	Physical Therapy			0	24,436	1,901	90	26,427	25,012	1,415	
081	Respiratory Therapy			0	367	3	0	370	350	20	
082	Occupational Therapy			0	0	1,513	72	1,585	1,500	85	
083	Speech Pathology			0	0	643	31	673	637	36	
085	Pharmacy			0	857	588	28	1,473	1,394	79	
090	Laboratory			0	0	103	5	108	102	6	
095	Home Health Services			0	0	0	0	0	0	0	
100	Other Ancillary Services			0	0	69	3	72	68	4	
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			19,908	468,690	16,831	799	486,320	460,285	26,036	*
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	3,386	45	2	3,433	3,249	184	
145	Other Nonreimbursable			0	0	0	0	0	0	0	
	TOTAL	$ 530,372	100%	$ 19,908	$ 506,956	$ 22,356	$ 1,061	$ 530,372	$ 501,978	$ 28,394	

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name: VALLEY HEALTHCARE CENTER, LLC
Provider NPI: 1508854795
OSHPD Facility Number: 206100820
Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

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. 70% of Total	DPH Licensing Fees 1% of Total	Professional Liability Ins. 12% of Total	Quality Assur. Fees 17% of Total	Caregiver Training 0% of Total
	GENERAL SERVICES													
045	Property Insurance	$ 10,605												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits,													
	Agency Staff and Other - Nonlabor)	1,648,569												
	Total Costs Allocable as Administration	1,659,174	70%											
167	DPH Licensing Fees	27,440	1%											
168	Professional Liability Insurance	273,538	12%											
169	Quality Assurance Fees	399,285	17%											
174	Caregiver Training	0	0%											
	Total	2,359,437	100%						$ 2,359,437					
	ANCILLARY SERVICES													
075	Patient Supplies			$ -	$ 2,758	$ 110,609	$ 9,220	$ 122,587	58,261	$ 40,970	$ 678	$ 6,754	$ 9,859	$ -
077	Specialized Support Surfaces			0	0	24,083	0	24,083	11,446	8,049	133	1,327	1,937	0
080	Physical Therapy			12	7,311	390,388	24,436	422,147	200,630	141,085	2,333	23,260	33,952	0
081	Respiratory Therapy			0	110	157	367	634	301	212	4	35	51	0
082	Occupational Therapy			0	0	335,937	0	335,937	159,658	112,273	1,857	18,510	27,019	0
083	Speech Pathology			0	0	142,776	0	142,776	67,856	47,717	789	7,867	11,483	0
085	Pharmacy			0	256	129,506	857	130,619	62,078	43,654	722	7,197	10,505	0
090	Laboratory			0	0	22,808	0	22,808	10,840	7,623	126	1,257	1,834	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	15,249	0	15,249	7,247	5,096	84	840	1,226	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
	ROUTINE SERVICES													
105	Skilled Nursing Care			2,261,429	476,285	531,313	468,690	3,737,718	1,776,394	1,249,174	20,659	205,944	300,617	0 *
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0 *
	NONREIMBURSABLE													
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	1,013	5,543	3,386	9,942	4,725	3,323	55	548	800	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	$ 2,359,437		$ 2,261,441	$ 487,734	$ 1,708,370	$ 506,956	$ 4,964,501	$ 2,359,437					
	Total Administrative Costs							$ 2,359,437		$ 1,659,174	$ 27,440	$ 273,538	$ 399,285	$ -
	Unit Cost Multiplier							0.47526166						
	Accumulated Administration Costs (Sch 2 thru 5)				$ 45,388	$ 10,036	$ 23,416	$ 78,840						
	TOTAL FACILITY COSTS							$ 7,402,778						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name: VALLEY HEALTHCARE CENTER, LLC
Provider NPI: 1508854795
OSHPD Facility Number: 206100820
Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS	Plant Ops (SQ FT) 5	Hskpng (SQ FT) 10	Laundry (LBS) 60	Dietary (MEALS) 65	Soc Srvs (DIRECT EXP) 155	Activities (DIRECT EXP) 160	Inserv. Ed (DIRECT EXP) 170	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL (ACCUM COST)
		(Adj 7)	(Adj 7)	(Adj 7)	(Adj)	(Adj)	(Adj)	(Adj)	(Adj)		
	GENERAL SERVICES										
005	Plant Operations and Maintenance	640									
010	Housekeeping	138	138								
060	Laundry and Linen	585	585	585							
065	Dietary	1,446	1,446	1,446							
155	Social Services	0	0	0							
160	Activities	506	506	506							
165	Administration	548	548	548							
166	Medical Records	26	26	26							
170	Inservice Education - Nursing	488	488	488							
	ANCILLARY SERVICES										
075	Patient Supplies	226	226	226						122,587	122,587
077	Specialized Support Surfaces									24,083	24,083
080	Physical Therapy	599	599	599						422,147	422,147
081	Respiratory Therapy	9	9	9						634	634
082	Occupational Therapy									335,937	335,937
083	Speech Pathology									142,776	142,776
085	Pharmacy	21	21	21						130,619	130,619
090	Laboratory									22,808	22,808
095	Home Health Services									0	0
100	Other Ancillary Services	0	0	0						15,249	15,249
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	8,464	8,464	8,464	66,730	83,413	2,264,322	2,264,322	2,264,322	3,737,718	3,737,718
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	83	83	83						9,942	9,942
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	13,779	13,139	13,001	66,730	83,413	2,264,322	2,264,322	2,264,322	4,964,501	4,964,501
	TOTAL DIRECT SALARIES COSTS - SCH. 2						$ 46,337	$ 57,561			
	UNIT COST MULTIPLIER (DIRECT SALARIES)						0.020463962	0.025420854			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3		$ 38,761	$ 120,328	$ 61,369	$ 211,698	$ -	$ 6,176	$ 93,736	$ 6,689	$ 38,699
	UNIT COST MULTIPLIER (INDIRECT SALARIES)		2.95007230	9.25529651	0.91966343	2.53794928	0.00000000	0.00272749	0.04139704	0.00134727	0.00779521
	TOTAL INDIRECT OTHER COSTS - SCH. 4		$ 205,924	$ 23,551	$ 24,969	$ 227,683	$ -	$ 15,351	$ 8,532	$ 9,581	$ 455
	UNIT COST MULTIPLIER (INDIRECT OTHER)		15.67273004	1.81146348	0.37418332	2.72958824	0.00000000	0.00677951	0.00376814	0.00192997	0.00009157
	TOTAL CAPITAL COSTS - SCH. 5	$ 530,372	$ 24,634	$ 5,571	$ 23,865	$ 58,989	$ -	$ 20,642	$ 19,908	$ 22,356	$ 1,061
	UNIT COST MULTIPLIER (CAPITAL COSTS)	38.49132738	1.87491054	0.42847018	0.35763381	0.70719370	0.00000000	0.00911625	0.00879196	0.00450307	0.00021365

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

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	$ 31,665	$ 0	$ 31,665	(Sch 3)
005	.20-.39	Fringe Benefits	6200	7,096	0	7,096	(Sch 3)
005	.79	Agency Staff	6200		0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	205,924	0	205,924	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	$ 244,685	$ 0	$ 244,685	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	$ 97,966	$ 0	$ 97,966	(Sch 3)
010	.20-.39	Fringe Benefits	6300	21,955	0	21,955	(Sch 3)
010	.79	Agency Staff	6300		0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	21,388	0	21,388	(Sch 4)
010		Housekeeping - Total	6300	$ 141,309	$ 0	$ 141,309	
015		Depreciation: Buildings and Improvements	7110 - 7120	$ 34,469	$ 0	$ 34,469	(Sch 5)
020		Depreciation: Leasehold Improvements	7130		0	0	(Sch 5)
025		Depreciation: Equipment	7140	40,093	0	40,093	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160		0	0	(Sch 5)
035		Leases and Rentals	7200	427,416	0	427,416	(Sch 5)
040		Property Taxes	7300	28,394	0	28,394	(Sch 5)
045		Property Insurance	7400	17,462	(6,857)	10,605	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500		0	0	(Sch 5)
055		Interest - Other	7600	$	$ 0	$ 0	(Sch 6)
057		**Subtotal 005 - 055**		$ 933,828	$ (6,857)	$ 926,971	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	$ 44,301	$ 0	$ 44,301	(Sch 3)
060	.20-.39	Fringe Benefits	6400	9,928	0	9,928	(Sch 3)
060	.79	Agency Staff	6400		0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	14,741	0	14,741	(Sch 4)
060		Laundry and Linen - Total	6400	$ 68,970	$ 0	$ 68,970	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	$ 158,523	$ 0	$ 158,523	(Sch 3)
065	.20-.39	Fringe Benefits	6500	35,526	0	35,526	(Sch 3)
065	.79	Agency Staff	6500		0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	202,401	0	202,401	(Sch 4)
065		Dietary - Total	6500	$ 396,450	$ 0	$ 396,450	
070		Provision for Bad Debts	7700	$ 0	0	$ 0	
		Ancillary Services					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	$	$ 0	$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100		0	0	(Sch 2)
075	.79	Agency Staff	8100		0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	106,658	0	106,658	(Sch 4)
075		Patient Supplies - Total	8100	$ 106,658	$ 0	$ 106,658	
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	24,083	0	24,083	(Sch 4)
077		Specialized Support Surfaces - Total	8150	$ 24,083	$ 0	$ 24,083	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

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	$ 10	$ 0	$ 10	(Sch 2)
080	.20-.39	Fringe Benefits	8200	2	0	2	(Sch 2)
080	.79	Agency Staff	8200		0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	379,915	0	379,915	(Sch 4)
080		Physical Therapy - Total	8200	$ 379,927	$ 0	$ 379,927	
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	335,937	0	335,937	(Sch 4)
082		Occupational Therapy - Total	8250	$ 335,937	$ 0	$ 335,937	
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	142,776	0	142,776	(Sch 4)
083		Speech Pathology - Total	8280	$ 142,776	$ 0	$ 142,776	
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	129,139	0	129,139	(Sch 4)
085		Pharmacy - Total	8300	$ 129,139	$ 0	$ 129,139	
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	22,808	0	22,808	(Sch 4)
090		Laboratory - Total	8400	$ 22,808	$ 0	$ 22,808	
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	15,249	0	15,249	(Sch 4)
100		Other Ancillary Services - Total	8900	$ 15,249	$ 0	$ 15,249	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

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		$ 1,156,577	$ 0	$ 1,156,577	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	$ 1,762,534	$ 0	$ 1,762,534	(Sch 2)
105	.20-.39	Fringe Benefits	6110	394,997	0	394,997	(Sch 2)
105	.49	Agency Staff	6110		0	0	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	121,941	(15,150)	106,791	(Sch 4)
105		Skilled Nursing Care - Total	6110	$ 2,279,472	$ (15,150)	$ 2,264,322	
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 HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

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	4,092	0	4,092	(Sch 4)
140		Beauty and Barber - Total	8900	$ 4,092	$ 0	$ 4,092	
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**		$ 2,283,564	$ (15,150)	$ 2,268,414	
155		Social Services					
155	.01-.19	Salaries and Wages	6600	$ 37,854	$ 0	$ 37,854	(Sch 2)
155	.20-.39	Fringe Benefits	6600	8,483	0	8,483	(Sch 2)
155	.49	Agency Staff	6600		0	0	(Sch 2)
155	.40-.99	Other - Nonlabor	6600		0	0	(Sch 4)
155		Social Services - Total	6600	$ 46,337	$ 0	$ 46,337	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
VALLEY HEALTHCARE CENTER, LLC

Fiscal Period:
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1508854795

OSHPD Facility Number:
206100820

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	$ 47,023	$ 0	$ 47,023	(Sch 2)
160	.20-.39	Fringe Benefits	6700	10,538	0	10,538	(Sch 2)
160	.49	Agency Staff	6700		0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	6,504	0	6,504	(Sch 4)
160		Activities - Total	6700	$ 64,065	$ 0	$ 64,065	
165		Administration					
165	.01-.19	Salaries and Wages	6900	$ 240,651	$ 0	$ 240,651	(Sch 6)
165	.20-.39	Fringe Benefits	6900	53,932	0	53,932	(Sch 6)
165	.49	Agency Staff	6900		0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	2,879,003	(1,525,017)	1,353,986	(Sch 6)
165		Administration - Total	6900	$ 3,173,586	$ (1,525,017)	$ 1,648,569	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	$ 31,355	$ 0	$ 31,355	(Sch 3)
166	.20-.39	Fringe Benefits	6900	7,027	0	7,027	(Sch 3)
166	.49	Agency Staff	6900		0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900		0	0	(Sch 4)
166		Medical Records - Total	6900	$ 38,382	$ 0	$ 38,382	
167		CDPH Licensing Fees	6900	$ 0	$ 27,440	$ 27,440	(Sch 6)
168		Professional Liability Insurance	6900	$ 247,253	$ 26,285	$ 273,538	(Sch 6)
169		Quality Assurance Fees	6900	$ 399,285	$ 0	$ 399,285	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	$ 71,709	$ 0	$ 71,709	(Sch 3)
170	.20-.39	Fringe Benefits	6800	16,071	0	16,071	(Sch 3)
170	.49	Agency Staff	6800		0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	(83)	83	0	(Sch 4)
170		Inservice Education - Nursing - Total	6800	$ 87,697	$ 83	$ 87,780	
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		$ 4,056,605	$ (1,471,209)	$ 2,585,396	
200		**Total**		**$ 8,895,994**	**$ (1,493,216)**	**$ 7,402,778**	

Provider Name: VALLEY HEALTHCARE CENTER, LLC

Provider NPI: 1508854795

OSHPD Facility Number: 206100820

Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ	AUDIT ADJ
005	1	Plant Operations and Maintenance - Salaries and Wages	0								
005	2	Plant Operations and Maintenance - Fringe Benefits	0								
005	3	Plant Operations and Maintenance - Agency Staff	0								
005	4	Plant Operations and Maintenance - Other - Nonlabor	0								
010	1	Housekeeping - Salaries and Wages	0								
010	2	Housekeeping - Fringe Benefits	0								
010	3	Housekeeping - Agency Staff	0								
010	4	Housekeeping - Other - Nonlabor	0								
015	4	Depreciation: Buildings and Improvements	0								
020	4	Depreciation: Leasehold Improvements	0								
025	4	Depreciation: Equipment	0								
030	4	Depreciation and Amortization - Other	0								
035	4	Leases and Rentals	0								
040	4	Property Taxes	0								
045	4	Property Insurance	(6,857)			(6,857)					
050	4	Interest - Property, Plant, and Equipment	0								
055	4	Interest - Other	0								
060	1	Laundry and Linen - Salaries and Wages	0								
060	2	Laundry and Linen - Fringe Benefits	0								
060	3	Laundry and Linen - Agency Staff	0								
060	4	Laundry and Linen - Other - Nonlabor	0								
065	1	Dietary - Salaries and Wages	0								
065	2	Dietary - Fringe Benefits	0								
065	3	Dietary - Agency Staff	0								
065	4	Dietary - Other - Nonlabor	0								
070	4	Provision for Bad Debts	0								
075	1	Patient Supplies - Salaries and Wages	0								
075	2	Patient Supplies - Fringe Benefits	0								
075	3	Patient Supplies - Agency Staff	0								
075	4	Patient Supplies - Other - Nonlabor	0								
077	1	Specialized Support Surfaces - Salaries and Wages	0								
077	2	Specialized Support Surfaces - Fringe Benefits	0								
077	3	Specialized Support Surfaces - Agency Staff	0								
077	4	Specialized Support Surfaces - Other - Nonlabor	0								
080	1	Physical Therapy - Salaries and Wages	0								
080	2	Physical Therapy - Fringe Benefits	0								
080	3	Physical Therapy - Agency Staff	0								
080	4	Physical Therapy - Other - Nonlabor	0								
081	1	Respiratory Therapy - Salaries and Wages	0								
081	2	Respiratory Therapy - Fringe Benefits	0								
081	3	Respiratory Therapy - Agency Staff	0								
081	4	Respiratory Therapy - Other - Nonlabor	0								
082	1	Occupational Therapy - Salaries and Wages	0								
082	2	Occupational Therapy - Fringe Benefits	0								
082	3	Occupational Therapy - Agency Staff	0								
082	4	Occupational Therapy - Other - Nonlabor	0								
083	1	Speech Pathology - Salaries and Wages	0								
083	2	Speech Pathology - Fringe Benefits	0								
083	3	Speech Pathology - Agency Staff	0								

Provider Name: VALLEY HEALTHCARE CENTER, LLC

Provider NPI: 1508854795

OSHPD Facility Number: 206100820

Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ	AUDIT ADJ
083	4	Speech Pathology - Other - Nonlabor	0								
085	1	Pharmacy - Salaries and Wages	0								
085	2	Pharmacy - Fringe Benefits	0								
085	3	Pharmacy - Agency Staff	0								
085	4	Pharmacy - Other - Nonlabor	0								
090	1	Laboratory - Salaries and Wages	0								
090	2	Laboratory - Fringe Benefits	0								
090	3	Laboratory - Agency Staff	0								
090	4	Laboratory - Other - Nonlabor	0								
095	1	Home Health Services - Salaries and Wages	0								
095	2	Home Health Services - Fringe Benefits	0								
095	3	Home Health Services - Agency Staff	0								
095	4	Home Health Services - Other - Nonlabor	0								
100	1	Other Ancillary Services - Salaries and Wages	0								
100	2	Other Ancillary Services - Fringe Benefits	0								
100	3	Other Ancillary Services - Agency Staff	0								
100	4	Other Ancillary Services - Other - Nonlabor	0								
101	1	Subacute Care Ancillary Services - Salaries and Wages	0								
101	2	Subacute Care Ancillary Services - Fringe Benefits	0								
101	3	Subacute Care Ancillary Services - Agency Staff	0								
101	4	Subacute Care Ancillary Services - Other - Nonlabor	0								
102	1	Subacute Pediatric Ancillary Services - Salaries and Wages	0								
102	2	Subacute Pediatric Ancillary Services - Fringe Benefits	0								
102	3	Subacute Pediatric Ancillary Services - Agency Staff	0								
102	4	Subacute Pediatric Ancillary Services - Other - Nonlabor	0								
105	1	Skilled Nursing Care - Salaries and Wages	0								
105	2	Skilled Nursing Care - Fringe Benefits	0								
105	3	Skilled Nursing Care - Agency Staff	0								
105	4	Skilled Nursing Care - Other - Nonlabor	(15,150)		(15,150)						
110	1	Intermediate Care - Salaries and Wages	0								
110	2	Intermediate Care - Fringe Benefits	0								
110	3	Intermediate Care - Agency Staff	0								
110	4	Intermediate Care - Other - Nonlabor	0								
115	1	Mentally Disordered Care - Salaries and Wages	0								
115	2	Mentally Disordered Care - Fringe Benefits	0								
115	3	Mentally Disordered Care - Agency Staff	0								
115	4	Mentally Disordered Care - Other - Nonlabor	0								
120	1	Developmentally Disabled Care - Salaries and Wages	0								
120	2	Developmentally Disabled Care - Fringe Benefits	0								
120	3	Developmentally Disabled Care - Agency Staff	0								
120	4	Developmentally Disabled Care - Other - Nonlabor	0								
125	1	Subacute Care - Salaries and Wages	0								
125	2	Subacute Care - Fringe Benefits	0								
125	3	Subacute Care - Agency Staff	0								
125	4	Subacute Care - Other - Nonlabor	0								
126	1	Subacute Care - Pediatric - Salaries and Wages	0								
126	2	Subacute Care - Pediatric - Fringe Benefits	0								
126	3	Subacute Care - Pediatric - Agency Staff	0								
126	4	Subacute Care - Pediatric - Other - Nonlabor	0								

Provider Name: VALLEY HEALTHCARE CENTER, LLC

Provider NPI: 1508854795

OSHPD Facility Number: 206100820

Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ	AUDIT ADJ
128	1	Transitional Inpatient Care - Salaries and Wages	0								
128	2	Transitional Inpatient Care - Fringe Benefits	0								
128	3	Transitional Inpatient Care - Agency Staff	0								
128	4	Transitional Inpatient Care - Other - Nonlabor	0								
130	1	Hospice Inpatient Care - Salaries and Wages	0								
130	2	Hospice Inpatient Care - Fringe Benefits	0								
130	3	Hospice Inpatient Care - Agency Staff	0								
130	4	Hospice Inpatient Care - Other - Nonlabor	0								
135	1	Other Routine Services - Salaries and Wages	0								
135	2	Other Routine Services - Fringe Benefits	0								
135	3	Other Routine Services - Agency Staff	0								
135	4	Other Routine Services - Other - Nonlabor	0								
139	1	Residential Care - Salaries and Wages	0								
139	2	Residential Care - Fringe Benefits	0								
139	3	Residential Care - Agency Staff	0								
139	4	Residential Care - Other - Nonlabor	0								
140	1	Beauty and Barber - Salaries and Wages	0								
140	2	Beauty and Barber - Fringe Benefits	0								
140	3	Beauty and Barber - Agency Staff	0								
140	4	Beauty and Barber - Other - Nonlabor	0								
145	1	Other Nonreimbursable - Salaries and Wages	0								
145	2	Other Nonreimbursable - Fringe Benefits	0								
145	3	Other Nonreimbursable - Agency Staff	0								
145	4	Other Nonreimbursable - Other - Nonlabor	0								
155	1	Social Services - Salaries and Wages	0								
155	2	Social Services - Fringe Benefits	0								
155	3	Social Services - Agency Staff	0								
155	4	Social Services - Other - Nonlabor	0								
160	1	Activities - Salaries and Wages	0								
160	2	Activities - Fringe Benefits	0								
160	3	Activities - Agency Staff	0								
160	4	Activities - Other - Nonlabor	0								
165	1	Administration - Salaries and Wages	0								
165	2	Administration - Fringe Benefits	0								
165	3	Administration - Agency Staff	0								
165	4	Administration - Other - Nonlabor	(1,525,017)	(27,440)	15,150			(1,512,727)			
166	1	Medical Records - Salaries and Wages	0								
166	2	Medical Records - Fringe Benefits	0								
166	3	Medical Records - Agency Staff	0								
166	4	Medical Records - Other - Nonlabor	0								
167	4	CDPH Licensing Fees	27,440	27,440							
168	4	Professional Liability Insurance	26,285				26,285				
169	4	Quality Assurance Fees	0								
170	1	Inservice Education - Nursing - Salaries and Wages	0								
170	2	Inservice Education - Nursing - Fringe Benefits	0								
170	3	Inservice Education - Nursing - Agency Staff	0								
170	4	Inservice Education - Nursing - Other - Nonlabor	83						83		
174	1	Caregiver Training - Salaries and Wages	0								
174	2	Caregiver Training - Fringe Benefits	0								

Provider Name: VALLEY HEALTHCARE CENTER, LLC

Provider NPI: 1508854795

OSHPD Facility Number: 206100820

Fiscal Period: JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ 2	AUDIT ADJ 3	AUDIT ADJ 4	AUDIT ADJ 5	AUDIT ADJ 6	AUDIT ADJ	AUDIT ADJ
174	3	Caregiver Training - Agency Staff	0								
174	4	Caregiver Training - Other - Nonlabor	0								
200		Total	($1,493,216)	0	0	(6,857)	26,285	(1,512,727)	83	0	0
			(To Sch 8)								

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALLEY HEALTHCARE CENTER, LLC	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1508854795	9

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							RECLASSIFICATIONS OF REPORTED COSTS				
1	10.5	167	4	8A-1	167	4	CDPH Licensing Fees		$0	$27,440	$27,440
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabo		2,879,003	(27,440)	2,851,563 *
							To reclassify CDPH licensing fees in order to calculate reimburseme in accordance with the Medi-Cal Long Term Care Reimbursement Ac AB 1629.				
							42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304				
							W & I Code, Article 3.8, Section 14126				
2	10.5	105	4	8A-1	105	4	Skilled Nursing Care - Other - Nonlabor		$121,941	($15,150)	$106,791
	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor	*	2,851,563	15,150	2,866,713 *
							To reclassify medical director fees for proper determination of cost.				
							42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304				
							CCR Title 22, Section 52000(b)				

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALLEY HEALTHCARE CENTER, LLC	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1508854795	9

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED COSTS			
3	10.5	045	4	8A-1	045	4	Property Insurance To adjust the reported property insurance expense to agree with the audited allocation. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	$17,462	($6,857)	$10,605
4	10.5	168	4	8A-1	168	4	Professional Liability Insurance To adjust the reported liability insurance expense to agree with the audited amount. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2162.4, 2162.5, 2162.7, 2300 and 2304	$247,253	$26,285	$273,538
5	10.5	165	4	8A-1	165	4	Administration - Other - Nonlabor * To adjust reported home office costs to agree with the Skilled Healthcare Home Office Audit Report for fiscal period ended December 31, 2010. 42 CFR 413.17 and 413.24 CMS Pub. 15-1, Sections 2150.2 and 2304	$2,866,713	($1,512,727)	$1,353,986
6	10.5	170	4	8A-1	170	4	Inservice Education - Nursing - Other - Nonlabor To zero out the reported expense for proper presentation of the audit report. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	($83)	$83	$0

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALLEY HEALTHCARE CENTER, LLC	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1508854795	9

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED STATISTICS			
7	10.7	5	1	7	5	N/A	Plant Operations and Maintenance (Square Feet)	448	192	640
	10.7	10	1,2	7	10	N/A	Housekeeping	14	124	138
	10.7	60	1,2,3	7	60	N/A	Laundry and Linen	786	(201)	585
	10.7	65	1,2,3	7	65	N/A	Dietary	3,566	(2,120)	1,446
	10.7	75	1,2,3	7	75	N/A	Patient Supplies	188	38	226
	10.7	80	1,2,3	7	80	N/A	Physical Therapy	1,136	(537)	599
	10.7	81	1,2,3	7	81	N/A	Respiratory Therapy	0	9	9
	10.7	85	1,2,3	7	85	N/A	Pharmacy	0	21	21
	10.7	100	1,2,3	7	100	N/A	Other Ancillary Services	55	(55)	0
	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care	12,503	(4,039)	8,464
	10.7	140	1,2,3	7	140	N/A	Beauty and Barber	126	(43)	83
	10.7	155	1,2,3	7	155	N/A	Social Services	56	(56)	0
	10.7	160	1,2,3	7	160	N/A	Activities	188	318	506
	10.7	165	1,2,3	7	165	N/A	Administration	1,359	(811)	548
	10.7	166	1,2,3	7	166	N/A	Medical Records	295	(269)	26
	10.7	170	1,2,3	7	170	N/A	Inservice Education - Nursing	283	205	488
	10.7	175	1	7	N/A	N/A	Total Statistics	21,003	(7,224)	13,779
	10.7	175	2	7	N/A	N/A	Total Statistics	20,555	(7,416)	13,139
	10.7	175	3	7	N/A	N/A	Total Statistics	20,541	(7,540)	13,001

To adjust square footage statistics to agree with the provider's FYE 12/31/09 Medi-Cal audit report.
42 CFR 413.24 and 413.50
CMS Pub. 15-1, Sections 2304 and 2306

Provider Name	Fiscal Period	Provider NPI	Adjustments
VALLEY HEALTHCARE CENTER, LLC	JANUARY 1, 2010 THROUGH DECEMBER 31, 2010	1508854795	9

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED PATIENT DAYS			
8	4.1	5	2	1	15	N/A	Medi-Cal Patient Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2010 through December 31, 2010 Payment Period: January 1, 2010 through February 29, 2012 Report Date: March 27, 2012 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	25,519	(379)	25,140
9	Not Reported			1	16	N/A	Medi-Cal Managed Care Days To include Medi-Cal Managed Care days for proper audit report presentation. 42 CFR 413.20 and 413.50 CMS Pub. 15-1, Sections 2205 and 2304	0	379	379