

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

January 14, 2014

Ms. Sybil L. Tyson, Reimbursement Director
Special Projects and Planning
UHS–Pruitt Corporation
Post Office Box 1210
Toccoa, Georgia 30577

Re: AC# 3-RHH-J0 – UniHealth Post Acute Care – Rock Hill, LLC d/b/a
UniHealth Post Acute Care – Rock Hill

Dear Ms. Tyson:

The accompanying report has been prepared by our office based on your Medicaid Financial and Statistical Report submitted to the Department of Health and Human Services for the cost report period October 1, 2009 through September 30, 2010. That report was used to set the rate covering the contract period beginning November 1, 2011.

We are recommending that the Department of Health and Human Services certify an accounts receivable to recover amounts due as a result of the rate change shown on Exhibit A. You will be notified of repayment terms by that Agency.

Yours very truly,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

RHGjr/sag

cc: Ms. Brenda L. Hyleman
Mr. Jeff Saxon
Ms. Kathleen C. Snider
Ms. Nicole Mitchell Threat
Ms. Melissa Simmons

**UNIHEALTH POST ACUTE CARE – ROCK HILL, LLC
D/B/A UNIHEALTH POST ACUTE CARE – ROCK HILL**

ROCK HILL, SOUTH CAROLINA

**CONTRACT PERIOD
BEGINNING NOVEMBER 1, 2011
AC# 3-RHH-J0**

AGREED-UPON PROCEDURES REPORT

ON CONTRACT

FOR

PURCHASE OF NURSING CARE SERVICES

WITH

STATE OF SOUTH CAROLINA

DEPARTMENT OF HEALTH AND HUMAN SERVICES

CONTENTS

	<u>EXHIBIT OR SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES		1
COMPUTATION OF RATE CHANGE FOR THE CONTRACT PERIOD BEGINNING NOVEMBER 1, 2011	A	3
COMPUTATION OF ADJUSTED REIMBURSEMENT RATE FOR THE CONTRACT PERIOD NOVEMBER 1, 2011 THROUGH SEPTEMBER 30, 2012	B	4
SUMMARY OF COSTS AND TOTAL PATIENT DAYS FOR THE COST REPORT PERIOD ENDED SEPTEMBER 30, 2010	C	5
ADJUSTMENT REPORT	1	7

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA
DEPUTY STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

September 9, 2013

Department of Health and Human Services
State of South Carolina
Columbia, South Carolina

We have performed the procedures enumerated below, which were agreed to by the South Carolina Department of Health and Human Services, solely to compute the rate change and related adjusted reimbursement rate to be used by the Department in determining the reimbursement settlement with UniHealth Post Acute Care – Rock Hill, LLC, d/b/a UniHealth Post Acute Care – Rock Hill, for the contract period beginning November 1, 2011, and for the twelve month cost report period ended September 30, 2010, as set forth in the accompanying schedules. The management of UniHealth Post Acute Care – Rock Hill, LLC, d/b/a UniHealth Post Acute Care – Rock Hill is responsible for the Financial and Statistical Report for Nursing Homes and supporting accounting and statistical records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the South Carolina Department of Health and Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. We selected costs or areas based on our analytical procedures applied to the reimbursable Medicaid program costs as shown on the Financial and Statistical Report for Nursing Homes, as filed by UniHealth Post Acute Care – Rock Hill, LLC, d/b/a UniHealth Post Acute Care – Rock Hill, to determine if these costs were allowable as defined by the State Plan for Medicaid reimbursement purposes and supported by accounting and statistical records maintained by the Provider. Our findings as a result of these procedures are presented in the Summary of Costs and Total Patient Days and Adjustment Report sections of this report.
2. We recomputed the Computation of Reimbursement Rate using the adjusted costs and calculated the rate change in accordance with the provisions of the contract between the South Carolina Department of Health and Human Services and UniHealth Post Acute Care – Rock Hill, LLC, d/b/a UniHealth Post Acute Care – Rock Hill dated as of October 1, 2011, as amended. Our findings as a result of these procedures are presented in the Computation of Rate Change and Computations of Adjusted Reimbursement Rate sections of this report.

Department of Health and Human Services
State of South Carolina
September 9, 2013

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the South Carolina Department of Health and Human Services and is not intended to be and should not be used by anyone other than the specified party.

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

UNIHEALTH POST ACUTE CARE - ROCK HILL
Computation of Rate Change
For the Contract Period
Beginning November 1, 2011
AC# 3-RHH-J0

11/01/11-
09/30/12

Interim Reimbursement Rate (1)	\$158.71
Adjusted Reimbursement Rate	<u>154.88</u>
Decrease in Reimbursement Rate	\$ <u><u>3.83</u></u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated September 14, 2012.

UNIHEALTH POST ACUTE CARE - ROCK HILL
 Computation of Adjusted Reimbursement Rate
 For the Contract Period November 1, 2011 Through September 30, 2012
 AC# 3-RHH-J0

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 80.10	\$108.41	
Dietary		12.51	15.92	
Laundry/Housekeeping/Maintenance		<u>16.71</u>	<u>14.77</u>	
Subtotal	<u>\$9.74</u>	109.32	139.10	\$109.32
Administration & Medical Records	<u>\$ -</u>	<u>22.39</u>	<u>20.62</u>	<u>20.62</u>
Subtotal		131.71	<u>\$159.72</u>	129.94
<u>Costs Not Subject to Standards:</u>				
Utilities		4.45		4.45
Special Services		.15		.15
Medical Supplies & Oxygen		6.11		6.11
Taxes and Insurance		9.03		9.03
Legal Fees		<u>.51</u>		<u>.51</u>
TOTAL		<u>\$151.96</u>		150.19
Inflation Factor (N/A)				-
Cost of Capital				7.76
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				-
Cost Incentive				9.74
Effect of \$1.75 Cap on Cost/Profit Incentives				(7.99)
Budget Neutrality Adjustment (3.02%)				<u>(4.82)</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$154.88</u>

UNIHEALTH POST ACUTE CARE - ROCK HILL
 Summary of Costs and Total Patient Days
 For the Cost Report Period Ended September 30, 2010
 AC# 3-RHH-J0

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$3,732,381	\$ -	\$ 26,666 (1) 808 (3) 14 (3)	\$3,704,893
Dietary	580,673	-	1,325 (1) 649 (3)	578,699
Laundry	133,634	-	821 (3)	132,813
Housekeeping	359,500	-	1,042 (3)	358,458
Maintenance	423,804	-	9,268 (2) 1,573 (3) 25,013 (4) 106,167 (5)	281,783
Administration & Medical Records	1,027,181	9,268 (2)	602 (3) 12 (3)	1,035,835
Utilities	205,600	-	-	205,600
Special Services	7,305	-	193 (3)	7,112
Medical Supplies & Oxygen	291,755	-	9,244 (3)	282,511
Taxes and Insurance	417,862	-	-	417,862

UNIHEALTH POST ACUTE CARE - ROCK HILL
Summary of Costs and Total Patient Days
For the Cost Report Period Ended September 30, 2010
AC# 3-RHH-J0

<u>Expenses</u>	Totals (From Schedule SC 13) as Adjusted by DH&HS	Adjustments <u>Debit</u>	<u>Credit</u>	Adjusted <u>Totals</u>
Legal Fees	23,457	-	-	23,457
Cost of Capital	<u>358,923</u>	-	-	<u>358,923</u>
Subtotal	7,562,075	9,268	183,397	7,387,946
Ancillary	512,390	-	-	512,390
Nonallowable	2,329,507	27,991 (1) 14,958 (3)	-	2,372,456
CNA Training and Testing	<u>789</u>	-	-	<u>789</u>
Total Operating Expenses	<u>\$10,404,761</u>	<u>\$52,217</u>	<u>\$183,397</u>	<u>\$10,273,581</u>
Total Patient Days	<u>46,253</u>	<u>-</u>	<u>-</u>	<u>46,253</u>
Total Beds	<u>132</u>			

UNIHEALTH POST ACUTE CARE - ROCK HILL
Adjustment Report
Cost Report Period Ended September 30, 2010
AC# 3-RHH-J0

<u>ADJUSTMENT</u> <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Nonallowable	\$27,991	
	Nursing		\$26,666
	Dietary		1,325
	To adjust related party United Clinical expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
2	Administration	9,268	
	Maintenance		9,268
	To properly classify expenses DH&HS Expense Crosswalk		
3	Nonallowable	14,958	
	Nursing		808
	Restorative		14
	Dietary		649
	Laundry		821
	Housekeeping		1,042
	Maintenance		1,573
	Administration		602
	Medical Records		12
	Medical Supplies & Oxygen		9,244
	Special Services - Therapy		193
	To adjust related party United Medical expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
4	Fixed Assets	25,013	
	Maintenance		25,013
	To properly classify capital expenses HIM-15-1, Section 108		

UNIHEALTH POST ACUTE CARE - ROCK HILL
Adjustment Report
Cost Report Period Ended September 30, 2010
AC# 3-RHH-J0

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
5	Fixed Assets Maintenance	106,167	106,167
	To properly classify capital expenses HIM-15-1, Section 108		
		\$ <u>183,397</u>	\$ <u>183,397</u>
	TOTAL ADJUSTMENTS	\$ <u>183,397</u>	\$ <u>183,397</u>

Due to the nature of compliance reporting, adjustment descriptions and references contained in the preceding Adjustment Report are provided for general guidance only and are not intended to be all-inclusive.

4 copies of this document were published at an estimated printing cost of \$1.32 each, and a total printing cost of \$5.28. Section 1-11-125 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.