

*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  
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November 5, 2014

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

Re: AC# 3-BLW-J1 – The Oaks of Blythewood, Inc. d/b/a  
UniHealth Post Acute Care - Blythewood

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 April 1, 2011 through September 30, 2011. That report was used to set the rate covering the contract periods beginning April 1, 2011.

We are recommending that the Department of Health and Human Services certify an accounts payable for amounts underpaid as a result of the rate changes shown on Exhibit A. You will be notified of settlement 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/cwc

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

**THE OAKS OF BLYTHEWOOD, INC. D/B/A  
UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**

**BLYTHEWOOD, SOUTH CAROLINA**

**CONTRACT PERIODS  
BEGINNING APRIL 1, 2011  
AC# 3-BLW-J1**

**AGREED-UPON PROCEDURES REPORT**

**ON CONTRACT**

**FOR**

**PURCHASE OF NURSING CARE SERVICES**

**WITH**

**STATE OF SOUTH CAROLINA**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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# State of South Carolina



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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

April 25, 2014

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 The Oaks of Blythewood, Inc. d/b/a UniHealth Post Acute Care - Blythewood, for the contract periods beginning April 1, 2011, and for the six month cost report period ended September 30, 2011, as set forth in the accompanying schedules. The management of The Oaks of Blythewood, Inc. d/b/a UniHealth Post Acute Care - Blythewood 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 The Oaks of Blythewood, Inc. d/b/a UniHealth Post Acute Care - Blythewood, 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 Summaries of Costs and Total Patient Days, Adjustment Report, and Cost of Capital Reimbursement Analyses 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 contracts between the South Carolina Department of Health and Human Services and The Oaks of Blythewood, Inc. d/b/a UniHealth Post Acute Care - Blythewood dated as of November 3, 2010 and 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  
April 25, 2014

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 - BLYTHEWOOD**

Computation of Rate Change  
For the Contract Periods  
Beginning April 1, 2011  
AC# 3-BLW-J1

	<u>04/01/11-</u> <u>04/07/11</u>	<u>04/08/11-</u> <u>09/30/11</u>	<u>10/01/11-</u> <u>10/31/11</u>	<u>11/01/11-</u> <u>09/30/12</u>	<u>10/01/12-</u> <u>09/30/13</u>
Interim Reimbursement Rate (1)	\$224.87	\$218.12	\$177.18	\$176.45	\$189.91
Adjusted Reimbursement Rate	<u>229.87</u>	<u>222.97</u>	<u>180.77</u>	<u>179.96</u>	<u>190.72</u>
Decrease (Increase) in Reimbursement Rate	\$ <u>(5.00)</u>	\$ <u>(4.85)</u>	\$ <u>(3.59)</u>	\$ <u>(3.51)</u>	\$ <u>(.81)</u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated January 21, 2014.

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period April 1, 2011 Through April 7, 2011  
 AC# 3-BLW-J1

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$150.59	\$111.71	
Dietary		27.82	18.70	
Laundry/Housekeeping/Maintenance		<u>30.48</u>	<u>17.84</u>	
Subtotal	\$ <u>-</u>	208.89	148.25	\$148.25
Administration & Medical Records	\$ <u>-</u>	<u>28.97</u>	<u>24.18</u>	<u>24.18</u>
Subtotal		237.86	<u>\$172.43</u>	172.43
<u>Costs Not Subject to Standards:</u>				
Utilities		9.44		9.44
Special Services		.63		.63
Medical Supplies & Oxygen		8.00		8.00
Taxes and Insurance		16.82		16.82
Legal Fees		<u>.82</u>		<u>.82</u>
<b>TOTAL</b>		<u>\$273.57</u>		208.14
Inflation Factor (N/A)				-
Cost of Capital				21.73
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				-
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				<u>-</u>
<b>ADJUSTED REIMBURSEMENT RATE</b>				<u>\$229.87</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period April 8, 2011 Through September 30, 2011  
 AC# 3-BLW-J1

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$150.59	\$111.71	
Dietary		27.82	18.70	
Laundry/Housekeeping/Maintenance		<u>30.48</u>	<u>17.84</u>	
Subtotal	\$ <u>-</u>	208.89	148.25	\$148.25
Administration & Medical Records	\$ <u>-</u>	<u>28.97</u>	<u>24.18</u>	<u>24.18</u>
Subtotal		237.86	<u>\$172.43</u>	172.43
<u>Costs Not Subject to Standards:</u>				
Utilities		9.44		9.44
Special Services		.63		.63
Medical Supplies & Oxygen		8.00		8.00
Taxes and Insurance		16.82		16.82
Legal Fees		<u>.82</u>		<u>.82</u>
<b>TOTAL</b>		<u>\$273.57</u>		208.14
Inflation Factor (N/A)				-
Cost of Capital				21.73
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				-
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				-
Effect of 3.00% Rate Reduction				<u>(6.90)</u>
<b>ADJUSTED REIMBURSEMENT RATE</b>				<u>\$222.97</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period October 1, 2011 Through October 31, 2011  
 AC# 3-BLW-J1

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$102.47	\$ 93.10	
Dietary		18.93	15.58	
Laundry/Housekeeping/Maintenance		<u>20.74</u>	<u>14.87</u>	
Subtotal	\$ <u>-</u>	142.14	123.55	\$123.55
Administration & Medical Records	\$ <u>.44</u>	<u>19.71</u>	<u>20.15</u>	<u>19.71</u>
Subtotal		161.85	<u>\$143.70</u>	143.26
<u>Costs Not Subject to Standards:</u>				
Utilities		6.42		6.42
Special Services		.64		.64
Medical Supplies & Oxygen		5.44		5.44
Taxes and Insurance		11.45		11.45
Legal Fees		<u>.56</u>		<u>.56</u>
<b>TOTAL</b>		<u>\$186.36</u>		167.77
Inflation Factor (2.00%)				3.36
Cost of Capital				14.79
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				.44
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				-
Effect of 3.00% Rate Reduction				<u>(5.59)</u>
<b>ADJUSTED REIMBURSEMENT RATE</b>				<u>\$180.77</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period November 1, 2011 Through September 30, 2012  
 AC# 3-BLW-J1

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$102.47	\$ 95.14	
Dietary		18.93	15.92	
Laundry/Housekeeping/Maintenance		<u>20.74</u>	<u>14.77</u>	
Subtotal	\$ <u>-</u>	142.14	125.83	\$125.83
Administration & Medical Records	\$ <u>.91</u>	<u>19.71</u>	<u>20.62</u>	<u>19.71</u>
Subtotal		161.85	<u>\$146.45</u>	145.54
<u>Costs Not Subject to Standards:</u>				
Utilities		6.42		6.42
Special Services		.64		.64
Medical Supplies & Oxygen		5.44		5.44
Taxes and Insurance		11.45		11.45
Legal Fees		<u>.56</u>		<u>.56</u>
<b>TOTAL</b>		<u>\$186.36</u>		170.05
Inflation Factor (N/A)				-
Cost of Capital				14.60
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				.91
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				-
Budget Neutrality Adjustment (3.02%)				<u>(5.60)</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$179.96</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period October 1, 2012 Through September 30, 2013  
 AC# 3-BLW-J1

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$100.25	\$108.17	
Dietary		18.52	17.37	
Laundry/Housekeeping/Maintenance		<u>20.29</u>	<u>15.73</u>	
Subtotal	\$ <u>2.21</u>	139.06	141.27	\$139.06
Administration & Medical Records	\$ <u>3.66</u>	<u>19.29</u>	<u>22.95</u>	<u>19.29</u>
Subtotal		158.35	<u>\$164.22</u>	158.35
<u>Costs Not Subject to Standards:</u>				
Utilities		6.28		6.28
Special Services		.64		.64
Medical Supplies & Oxygen		5.32		5.32
Taxes and Insurance		11.20		11.20
Legal Fees		<u>.55</u>		<u>.55</u>
<b>TOTAL</b>		<u>\$182.34</u>		182.34
Inflation Factor (N/A)				-
Cost of Capital				14.17
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				3.66
Cost Incentive				2.21
Effect of \$1.75 Cap on Cost/Profit Incentives				(4.12)
Budget Neutrality Adjustment (3.805%)				<u>(7.54)</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$190.72</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Periods April 1, 2011 Through September 30, 2011  
 AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$2,147,912	\$2,294 (3)	\$105,994 (2) 15,789 (7) 843 (7) 2,253 (15) 67 (15)	\$2,025,260
Dietary	377,090	-	1,265 (2) 1,200 (7) 494 (15)	374,131
Laundry	53,953	-	112 (7)	53,841
Housekeeping	228,913	-	1,526 (7)	227,387
Maintenance	290,685	-	159,202 (3) 231 (7) 2,534 (15)	128,718
Administration & Medical Records	400,392	-	7,167 (2) 660 (4) 2,431 (7) 331 (7) 180 (15)	389,623
Utilities	126,893	-	-	126,893
Special Services	13,515	5,540 (1)	10,313 (8) 225 (15)	8,517

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 2011  
For the Contract Periods April 1, 2011 Through September 30, 2011  
AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
Medical Supplies & Oxygen	120,293	-	12,750 (8)	107,543
Taxes and Insurance	116,475	112,735 (5)	2,968 (6)	226,242
Legal Fees	11,021	-	-	11,021
Cost of Capital	317,192	35,780 (11)	56,721 (1)	292,275
			<u>3,976 (12)</u>	
Subtotal	4,204,334	156,349	389,232	3,971,451
Ancillary	459,448	-	5,495 (15)	453,953
Nonallowable	975,211	51,181 (1)	35,780 (11)	1,295,384
		114,426 (2)	113 (15)	
		156,908 (3)		
		660 (4)		
		2,968 (6)		
		2,884 (7)		
		23,063 (8)		
		3,976 (12)		
CNA Training and Testing	<u>229</u>	<u>-</u>	<u>-</u>	<u>229</u>
Total Operating Expenses	<u>\$5,639,222</u>	<u>\$512,415</u>	<u>\$430,620</u>	<u>\$5,721,017</u>
Total Patient Days	<u>13,449</u>	<u>-</u>	<u>-</u>	<u>13,449</u>
Total Beds	<u>120</u>			

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period October 1, 2011 Through October 31, 2011  
 AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$2,147,912	\$2,294 (3)	\$105,994 (2) 15,789 (7) 843 (7) 2,253 (15) 67 (15)	\$2,025,260
Dietary	377,090	-	1,265 (2) 1,200 (7) 494 (15)	374,131
Laundry	53,953	-	112 (7)	53,841
Housekeeping	228,913	-	1,526 (7)	227,387
Maintenance	290,685	-	159,202 (3) 231 (7) 2,534 (15)	128,718
Administration & Medical Records	400,392	-	7,167 (2) 660 (4) 2,431 (7) 331 (7) 180 (15)	389,623
Utilities	126,893	-	-	126,893
Special Services	13,515	5,540 (1)	6,209 (9) 225 (15)	12,621

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period October 1, 2011 Through October 31, 2011  
 AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
Medical Supplies & Oxygen	120,293	-	12,728 (9)	107,565
Taxes and Insurance	116,475	112,735 (5)	2,968 (6)	226,242
Legal Fees	11,021	-	-	11,021
Cost of Capital	317,192	35,780 (11)	56,721 (1) <u>3,976 (12)</u>	292,275
Subtotal	<u>4,204,334</u>	<u>156,349</u>	<u>385,106</u>	<u>3,975,577</u>
Ancillary	459,448	-	5,495 (15)	453,953
Nonallowable	975,211	51,181 (1) 114,426 (2) 156,908 (3) 660 (4) 2,968 (6) 2,884 (7) 18,937 (9) 3,976 (12)	35,780 (11) 113 (15)	1,291,258
CNA Training and Testing	<u>229</u>	<u>-</u>	<u>-</u>	<u>229</u>
Total Operating Expenses	<u>\$5,639,222</u>	<u>\$508,289</u>	<u>\$426,494</u>	<u>\$5,721,017</u>
Total Patient Days	<u>19,764</u>	<u>-</u>	<u>-</u>	<u>19,764</u>
Total Beds	<u>120</u>			

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period November 1, 2011 Through September 30, 2012  
 AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$2,147,912	\$2,294 (3)	\$105,994 (2) 15,789 (7) 843 (7) 2,253 (15) 67 (15)	\$2,025,260
Dietary	377,090	-	1,265 (2) 1,200 (7) 494 (15)	374,131
Laundry	53,953	-	112 (7)	53,841
Housekeeping	228,913	-	1,526 (7)	227,387
Maintenance	290,685	-	159,202 (3) 231 (7) 2,534 (15)	128,718
Administration & Medical Records	400,392	-	7,167 (2) 660 (4) 2,431 (7) 331 (7) 180 (15)	389,623
Utilities	126,893	-	-	126,893
Special Services	13,515	5,540 (1)	6,209 (9) 225 (15)	12,621

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period November 1, 2011 Through September 30, 2012  
 AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
Medical Supplies & Oxygen	120,293	-	12,728 (9)	107,565
Taxes and Insurance	116,475	112,735 (5)	2,968 (6)	226,242
Legal Fees	11,021	-	-	11,021
Cost of Capital	313,224	35,780 (11)	56,721 (1)	288,487
			<u>3,796 (13)</u>	
Subtotal	4,200,366	156,349	384,926	3,971,789
Ancillary	459,448	-	5,495 (15)	453,953
Nonallowable	979,179	51,181 (1)	35,780 (11)	1,295,046
		114,426 (2)	113 (15)	
		156,908 (3)		
		660 (4)		
		2,968 (6)		
		2,884 (7)		
		18,937 (9)		
		3,796 (13)		
CNA Training and Testing	<u>229</u>	<u>-</u>	<u>-</u>	<u>229</u>
Total Operating Expenses	<u>\$5,639,222</u>	<u>\$508,109</u>	<u>\$426,314</u>	<u>\$5,721,017</u>
Total Patient Days	<u>19,764</u>	<u>-</u>	<u>-</u>	<u>19,764</u>
Total Beds	<u>120</u>			

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period October 1, 2012 Through September 30, 2013  
 AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$2,147,912	\$2,294 (3)	\$105,994 (2) 15,789 (7) 843 (7) 2,253 (15) 67 (15)	\$2,025,260
Dietary	377,090	-	1,265 (2) 1,200 (7) 494 (15)	374,131
Laundry	53,953	-	112 (7)	53,841
Housekeeping	228,913	-	1,526 (7)	227,387
Maintenance	290,685	-	159,202 (3) 231 (7) 2,534 (15)	128,718
Administration & Medical Records	400,392	-	7,167 (2) 660 (4) 2,431 (7) 331 (7) 180 (15)	389,623
Utilities	126,893	-	-	126,893
Special Services	12,952	5,540 (1)	5,360 (10) 225 (15)	12,907

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period October 1, 2012 Through September 30, 2013  
 AC# 3-BLW-J1

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
Medical Supplies & Oxygen	120,290	-	12,723 (10)	107,567
Taxes and Insurance	116,475	112,735 (5)	2,968 (6)	226,242
Legal Fees	11,021	-	-	11,021
Cost of Capital	310,902	35,780 (11)	56,721 (1) <u>3,687 (14)</u>	286,274
Subtotal	<u>4,197,478</u>	156,349	383,963	3,969,864
Ancillary	459,448	-	5,495 (15)	453,953
Nonallowable	982,067	51,181 (1) 114,426 (2) 156,908 (3) 660 (4) 2,968 (6) 2,884 (7) 18,083 (10) 3,687 (14)	35,780 (11) 113 (15)	1,296,971
CNA Training and Testing	<u>229</u>	-	-	<u>229</u>
Total Operating Expenses	<u>\$5,639,222</u>	<u>\$507,146</u>	<u>\$425,351</u>	<u>\$5,721,017</u>
Total Patient Days	<u>20,203</u>	-	-	<u>20,203</u>
Total Beds	<u>120</u>			

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Adjustment Report  
Cost Report Period Ended September 30, 2011  
AC# 3-BLW-J1

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Other Equity	\$523,509	
	Special Services	5,540	
	Nonallowable	51,181	
	Fixed Assets		\$ 97,641
	Accumulated Depreciation		425,868
	Cost of Capital		56,721
	To adjust fixed assets and related depreciation HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
2	Nonallowable	114,426	
	Nursing		105,994
	Dietary		1,265
	Administration		7,167
	To adjust related party United Clinical expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
3	Restorative	2,294	
	Nonallowable	156,908	
	Maintenance		159,202
	To properly classify expenses and properly charge expense applicable to the prior period DH&HS Expense Crosswalk HIM-15-1, Section 2302.1		
4	Nonallowable	660	
	Administration		660
	To disallow expense not related to patient care HIM-15-1, Sections 2105.7 and 2139.3 State Plan, Attachment 4.19D		

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Adjustment Report  
Cost Report Period Ended September 30, 2011  
AC# 3-BLW-J1

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
5	Taxes and Insurance Other Equity	112,735	112,735
	To adjust property taxes HIM-15-1, Sections 2302.1 and 2304		
6	Nonallowable Taxes and Insurance	2,968	2,968
	To adjust liability insurance HIM-15-1, Sections 2302.1 and 2304 State Plan, Attachment 4.19D		
7	Accrued Bonus Accrued Payroll Benefits Nonallowable	16,034 3,545 2,884	
	Nursing		15,789
	Restorative		843
	Dietary		1,200
	Laundry		112
	Housekeeping		1,526
	Maintenance		231
	Administration		2,431
	Medical Records		331
	To adjust bonus accrual to actual HIM-15-1, Sections 2302.1, 2304 and 2305 State Plan, Attachment 4.19D		
8	Nonallowable Medical Supplies & Oxygen Special Services	23,063	12,750 10,313
	To remove special (ancillary) services reimbursed by Medicare State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 04/01/11 - 09/30/11)		

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Adjustment Report  
Cost Report Period Ended September 30, 2011  
AC# 3-BLW-J1

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
9	Nonallowable Medical Supplies & Oxygen Special Services	18,937	12,728 6,209
	To remove special (ancillary) services reimbursed by Medicare State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 10/01/11 - 09/30/12)		
10	Nonallowable Medical Supplies & Oxygen Special Services	18,083	12,723 5,360
	To remove special (ancillary) services reimbursed by Medicare State Plan, Attachment 4.19D (This adjustment applies only to the rate period 10/01/12 - 09/30/13)		
11	Cost of Capital Nonallowable	35,780	35,780
	To adjust depreciation expense to comply with capital cost policy State Plan, Attachment 4.19D		
12	Nonallowable Cost of Capital	3,976	3,976
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate period 04/01/11 - 10/31/11)		
13	Nonallowable Cost of Capital	3,796	3,796
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate period 11/01/11 - 09/30/12)		

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Adjustment Report  
Cost Report Period Ended September 30, 2011  
AC# 3-BLW-J1

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
14	Nonallowable Cost of Capital	3,687	3,687
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate period 10/01/12 - 09/30/13)		
15	Other Equity	11,361	
	Nursing		2,253
	Restorative		67
	Dietary		494
	Maintenance		2,534
	Administration		180
	Special Services		225
	Ancillary		5,495
	Nonallowable		113
	To properly charge expense applicable to the prior period HIM-15-1, Section 2302.1		
	TOTAL ADJUSTMENTS	\$1,111,367	\$1,111,367

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.

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Cost of Capital Reimbursement Analysis  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Periods April 1, 2011 Through September 30, 2011  
 AC# 3-BLW-J1

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>3.10948</u>
Deemed Asset Value (Per Bed)	48,564
Number of Beds	<u>120</u>
Deemed Asset Value	5,827,680
Improvements Since 1981	-
Accumulated Depreciation at 9/30/11	<u>(352,105)</u>
Deemed Depreciated Value	5,475,575
Market Rate of Return	<u>.0440</u>
Total Annual Return	240,925
Number of Days in Period	<u>183/365</u>
Adjusted Annual Return	120,793
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	120,793
Depreciation Expense	171,516
Amortization Expense	-
Capital Related Income Offsets	(34)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	292,275
Total Patient Days (Actual)	<u>13,449</u>
Cost of Capital Per Diem	\$ <u><u>21.73</u></u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Cost of Capital Reimbursement Analysis  
For the Cost Report Period Ended September 30, 2011  
For the Contract Periods April 1, 2011 Through September 30, 2011  
AC# 3-BLW-J1

6/30/89 Cost of Capital and Return on Equity Capital Per Diem Reimbursement	\$ N/A
Adjustment for Maximum Increase	<u>N/A</u>
Maximum Cost of Capital Per Diem	<u>\$21.73</u>
Reimbursable Cost of Capital Per Diem	\$21.73
Cost of Capital Per Diem	<u>21.73</u>
Cost of Capital Per Diem Limitation	<u>\$ -</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Cost of Capital Reimbursement Analysis  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period October 1, 2011 Through October 31, 2011  
 AC# 3-BLW-J1

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>3.10948</u>
Deemed Asset Value (Per Bed)	48,564
Number of Beds	<u>120</u>
Deemed Asset Value	5,827,680
Improvements Since 1981	-
Accumulated Depreciation at 9/30/11	<u>(352,105)</u>
Deemed Depreciated Value	5,475,575
Market Rate of Return	<u>.0440</u>
Total Annual Return	240,925
Number of Days in Period	<u>183/365</u>
Adjusted Annual Return	120,793
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	120,793
Depreciation Expense	171,516
Amortization Expense	-
Capital Related Income Offsets	(34)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	292,275
Total Patient Days (Minimum 90% Occupancy)	<u>19,764</u>
Cost of Capital Per Diem	<u>\$ 14.79</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Cost of Capital Reimbursement Analysis  
For the Cost Report Period Ended September 30, 2011  
For the Contract Period October 1, 2011 Through October 31, 2011  
AC# 3-BLW-J1

6/30/89 Cost of Capital and Return on Equity Capital Per Diem Reimbursement	\$ N/A
Adjustment for Maximum Increase	<u>N/A</u>
Maximum Cost of Capital Per Diem	<u>\$14.79</u>
Reimbursable Cost of Capital Per Diem	\$14.79
Cost of Capital Per Diem	<u>14.79</u>
Cost of Capital Per Diem Limitation	<u>\$ -</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Cost of Capital Reimbursement Analysis  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period November 1, 2011 Through September 30, 2012  
 AC# 3-BLW-J1

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>3.15264</u>
Deemed Asset Value (Per Bed)	49,238
Number of Beds	<u>120</u>
Deemed Asset Value	5,908,560
Improvements Since 1981	-
Accumulated Depreciation at 9/30/11	<u>(352,105)</u>
Deemed Depreciated Value	5,556,455
Market Rate of Return	<u>.0420</u>
Total Annual Return	233,371
Number of Days in Period	<u>183/365</u>
Adjusted Annual Return	117,005
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	117,005
Depreciation Expense	171,516
Amortization Expense	-
Capital Related Income Offsets	(34)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	288,487
Total Patient Days (Minimum 90% Occupancy)	<u>19,764</u>
Cost of Capital Per Diem	<u>\$ 14.60</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended September 30, 2011

For the Contract Period November 1, 2011 Through September 30, 2012  
AC# 3-BLW-J1

6/30/89 Cost of Capital and Return on Equity Capital Per Diem Reimbursement	\$ N/A
Adjustment for Maximum Increase	<u>N/A</u>
Maximum Cost of Capital Per Diem	<u>\$14.60</u>
Reimbursable Cost of Capital Per Diem	\$14.60
Cost of Capital Per Diem	<u>14.60</u>
Cost of Capital Per Diem Limitation	<u>\$ -</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
 Cost of Capital Reimbursement Analysis  
 For the Cost Report Period Ended September 30, 2011  
 For the Contract Period October 1, 2012 Through September 30, 2013  
 AC# 3-BLW-J1

Original Asset Cost (Per Bed)	\$ 15,618
Inflation Adjustment	<u>3.18210</u>
Deemed Asset Value (Per Bed)	49,698
Number of Beds	<u>120</u>
Deemed Asset Value	5,963,760
Improvements Since 1981	-
Accumulated Depreciation at 9/30/11	<u>(352,105)</u>
Deemed Depreciated Value	5,611,655
Market Rate of Return	<u>.0408</u>
Total Annual Return	228,956
Number of Days in Period	<u>183/365</u>
Adjusted Annual Return	114,792
Return Applicable to Non-Reimbursable Cost Centers	-
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Annual Return	114,792
Depreciation Expense	171,516
Amortization Expense	-
Capital Related Income Offsets	(34)
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>
Allowable Cost of Capital Expense	286,274
Total Patient Days (Minimum 92% Occupancy)	<u>20,203</u>
Cost of Capital Per Diem	<u>\$ 14.17</u>

**UNIHEALTH POST ACUTE CARE - BLYTHEWOOD**  
Cost of Capital Reimbursement Analysis  
For the Cost Report Period Ended September 30, 2011  
For the Contract Period October 1, 2012 Through September 30, 2013  
AC# 3-BLW-J1

6/30/89 Cost of Capital and Return on Equity Capital Per Diem Reimbursement	\$ N/A
Adjustment for Maximum Increase	<u>N/A</u>
Maximum Cost of Capital Per Diem	<u>\$14.17</u>
Reimbursable Cost of Capital Per Diem	\$14.17
Cost of Capital Per Diem	<u>14.17</u>
Cost of Capital Per Diem Limitation	<u>\$ -</u>

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