

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

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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-BMB-J0 – UniHealth Post Acute Care of Bamberg, LLC d/b/a
UniHealth Post Acute Care of Bamberg

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/cwc

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

**UNIHEALTH POST ACUTE CARE OF BAMBERG, LLC D/B/A
UNIHEALTH POST ACUTE CARE OF BAMBERG**

BAMBERG, SOUTH CAROLINA

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

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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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 20, 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 UniHealth Post Acute Care of Bamberg, LLC d/b/a UniHealth Post Acute Care of Bamberg, 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 of Bamberg, LLC d/b/a UniHealth Post Acute Care of Bamberg 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 of Bamberg, LLC d/b/a UniHealth Post Acute Care of Bamberg, 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 of Bamberg, LLC d/b/a UniHealth Post Acute Care of Bamberg 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 Computation of Adjusted Reimbursement Rate sections of this report.

Department of Health and Human Services
State of South Carolina
June 20, 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 OF BAMBERG

Computation of Rate Change
For the Contract Period
Beginning November 1, 2011
AC# 3-BMB-J0

	<u>11/01/11-</u> <u>09/30/12</u>
Interim Reimbursement Rate (1)	\$185.20
Adjusted Reimbursement Rate	<u>183.32</u>
Decrease in Reimbursement Rate	\$ <u><u>1.88</u></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 OF BAMBERG
 Computation of Adjusted Reimbursement Rate
 For the Contract Period November 1, 2011 Through September 30, 2012
 AC# 3-BMB-J0

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 93.18	\$108.54	
Dietary		22.54	16.01	
Laundry/Housekeeping/Maintenance		<u>20.93</u>	<u>15.28</u>	
Subtotal	<u>\$3.18</u>	136.65	139.83	\$136.65
Administration & Medical Records	<u>\$ -</u>	<u>24.60</u>	<u>22.48</u>	<u>22.48</u>
Subtotal		161.25	<u>\$162.31</u>	159.13
<u>Costs Not Subject to Standards:</u>				
Utilities		3.64		3.64
Special Services		.27		.27
Medical Supplies & Oxygen		5.77		5.77
Taxes and Insurance		10.01		10.01
Legal Fees		<u>.41</u>		<u>.41</u>
TOTAL		<u>\$181.35</u>		179.23
Inflation Factor (N/A)				-
Cost of Capital				8.05
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				-
Cost Incentive				3.18
Effect of \$1.75 Cap on Cost/Profit Incentives				(1.43)
Budget Neutrality Adjustment (3.02%)				<u>(5.71)</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$183.32</u>

UNIHEALTH POST ACUTE CARE OF BAMBERG
 Summary of Costs and Total Patient Days
 For the Cost Report Period Ended September 30, 2010
 AC# 3-BMB-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	\$3,005,104	\$ 395 (3) 716 (3) 22,229 (7)	\$ 20,355 (5) 31,079 (6) 3,884 (8) 614 (8) 3,843 (9) 249 (9) 93,190 (10) 2,064 (11) 19 (11)	\$2,873,147
Dietary	665,977	2,390 (3) 33,934 (7) 24,559 (10)	29,632 (8) 751 (9) 1,530 (11)	694,947
Laundry	100,354	-	72 (8) 94 (9) 459 (11)	99,729
Housekeeping	266,520	-	2,769 (8) 369 (9) 1,162 (11)	262,220
Maintenance	487,975	16,644 (3)	136,310 (1) 63,153 (7) 17,510 (8) 109 (9) 4,167 (11)	283,370
Administration & Medical Records	786,214	8,583 (3) 332 (3) 1,385 (6) 6,990 (7) 1,339 (10)	44,550 (8) 268 (8) 297 (9) 45 (9) 981 (11) 56 (11)	758,646
Utilities	112,173	150 (3)	-	112,323

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

<u>Expenses</u>	Totals (From Schedule SC 13) as Adjusted by DH&HS	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
Special Services	7,777	23,137 (6)	4,091 (3) 122 (8) 1,246 (11) 17,145 (12)	8,310
Medical Supplies & Oxygen	186,246	16 (3) 6,557 (6) 10,066 (8)	3,428 (4) 4,972 (11) 16,579 (12)	177,906
Taxes and Insurance	316,775	-	8,125 (2)	308,650
Legal Fees	12,770	-	-	12,770
Cost of Capital	<u>248,140</u>	<u>-</u>	<u>-</u>	<u>248,140</u>
Subtotal	6,196,025	159,422	515,289	5,840,158
Ancillary	219,674	6,373 (3) 3,428 (4)	900 (8)	228,575
Nonallowable	976,660	136,310 (1) 8,125 (2) 20,355 (5) 90,255 (8) 5,757 (9) 67,292 (10) 16,656 (11) 33,724 (12)	31,508 (3)	1,323,626
CNA Training and Testing	<u>8,044</u>	<u>-</u>	<u>-</u>	<u>8,044</u>
Total Operating Expenses	<u>\$7,400,403</u>	<u>\$547,697</u>	<u>\$547,697</u>	<u>\$7,400,403</u>
Total Patient Days	<u>30,835</u>	<u>-</u>	<u>-</u>	<u>30,835</u>

UNIHEALTH POST ACUTE CARE OF BAMBERG
Adjustment Report
Cost Report Period Ended September 30, 2010
AC# 3-BMB-J0

<u>ADJUSTMENT</u> <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Nonallowable Maintenance	\$136,310	\$136,310
	To adjust expense which was capitalized HIM-15-1, Section 108 State Plan, Attachment 4.19D		
2	Nonallowable Taxes and Insurance	8,125	8,125
	To adjust property taxes HIM-15-1, Sections 2302.1 and 2304		
3	Nursing	395	
	Restorative	716	
	Dietary	2,390	
	Maintenance	16,644	
	Administration	8,583	
	Medical Records	332	
	Utilities	150	
	Medical Supplies & Oxygen	16	
	Ancillary	6,373	
	Special Services		4,091
	Nonallowable		31,508
	To properly charge expense applicable to the current period HIM-15-1, Section 2302.1		
4	Ancillary Medical Supplies & Oxygen	3,428	3,428
	To properly classify expenses DH&HS Expense Crosswalk State Plan, Attachment 4.19D		

UNIHEALTH POST ACUTE CARE OF BAMBERG
Adjustment Report
Cost Report Period Ended September 30, 2010
AC# 3-BMB-J0

<u>ADJUSTMENT</u> <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
5	Nonallowable Nursing	20,355	20,355
	To properly charge expense applicable to the prior period HIM-15-1, Section 2302.1		
6	Medical Records Medical Supplies & Oxygen Special Services Nursing	1,385 6,557 23,137	31,079
	To properly classify expenses DH&HS Expense Crosswalk State Plan, Attachment 4.19D		
7	Restorative Dietary Administration Maintenance	22,229 33,934 6,990	63,153
	To properly classify expenses DH&HS Expense Crosswalk State Plan, Attachment 4.19D		
8	Medical Supplies & Oxygen Nonallowable Nursing Restorative Dietary Laundry Housekeeping Maintenance Administration Medical Records Special Services Ancillary	10,066 90,255	3,884 614 29,632 72 2,769 17,510 44,550 268 122 900
	To properly charge expense applicable to the prior period HIM-15-1, Section 2302.1		

UNIHEALTH POST ACUTE CARE OF BAMBERG
Adjustment Report
Cost Report Period Ended September 30, 2010
AC# 3-BMB-J0

<u>ADJUSTMENT</u> <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
9	Nonallowable	5,757	
	Nursing		3,843
	Restorative		249
	Dietary		751
	Laundry		94
	Housekeeping		369
	Maintenance		109
	Administration		297
	Medical Records		45
	To adjust fringe benefits and related allocation HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
10	Dietary	24,559	
	Administration	1,339	
	Nonallowable	67,292	
	Nursing		93,190
	To adjust related party United Clinical expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
11	Nonallowable	16,656	
	Nursing		2,064
	Restorative		19
	Dietary		1,530
	Laundry		459
	Housekeeping		1,162
	Maintenance		4,167
	Administration		981
	Medical Records		56
	Medical Supplies & Oxygen		4,972
	Special Services		1,246
	To adjust related party United Medical expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		

UNIHEALTH POST ACUTE CARE OF BAMBERG
Adjustment Report
Cost Report Period Ended September 30, 2010
AC# 3-BMB-J0

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
12	Nonallowable Medical Supplies & Oxygen Special Services - Therapy	33,724	16,579 17,145
	To remove special (ancillary) services reimbursed by Medicare State Plan, Attachment 4.19D		
	TOTAL ADJUSTMENTS	<u>\$547,697</u>	<u>\$547,697</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.

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