



**South Carolina  
Office of the State Auditor**

**George L. Kennedy, III, CPA  
State Auditor**

---

October 11, 2016

Ms. Robin Matthews, COO  
Clarendon Health System  
Long Term Care Division  
Post Office Box 57  
203 East Boyce Street  
Manning, South Carolina 29102

Re: AC# 3-WND-J3 – Clarendon Hospital District d/b/a Windsor Manor Nursing Facility

Dear Ms. Matthews:

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, 2012 through September 30, 2013. That report was used to set the rate covering the contract period beginning October 1, 2014.

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 blue ink that reads "George L. Kennedy, III".

George L. Kennedy, III, CPA  
State Auditor

GLKIII/cwc

cc: Mr. Jeff Saxon  
Ms. Debra Myers  
Mr. Byron Roberts  
Ms. Nicole Mitchell Threat  
Ms. Brittany Sandifer  
Ms. Chari Preacher

**CLARENDON HOSPITAL DISTRICT D/B/A  
WINDSOR MANOR NURSING FACILITY**

**SUMMERTON, SOUTH CAROLINA**

**CONTRACT PERIOD  
BEGINNING OCTOBER 1, 2014  
AC# 3-WND-J3**

**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 OCTOBER 1, 2014	A	3
COMPUTATION OF ADJUSTED REIMBURSEMENT RATE FOR THE CONTRACT PERIOD OCTOBER 1, 2014 THROUGH SEPTEMBER 30, 2015	B	4
SUMMARY OF COSTS AND TOTAL PATIENT DAYS FOR THE COST REPORT PERIOD ENDED SEPTEMBER 30, 2013	C	5
ADJUSTMENT REPORT	1	7



**South Carolina  
Office of the State Auditor**

**George L. Kennedy, III, CPA  
State Auditor**

---

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

September 28, 2016

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 Clarendon Hospital District d/b/a Windsor Manor Nursing Facility, for the contract period beginning October 1, 2014, and for the twelve month cost report period ended September 30, 2013, as set forth in the accompanying schedules. The management of Clarendon Hospital District d/b/a Windsor Manor Nursing Facility 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 Clarendon Hospital District d/b/a Windsor Manor Nursing Facility 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 Clarendon Hospital District d/b/a Windsor Manor Nursing Facility dated as of October 1, 2014, 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  
September 28, 2016

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.



George L. Kennedy, III, CPA  
State Auditor

**WINDSOR MANOR NURSING FACILITY**  
Computation of Rate Change  
For the Contract Period  
Beginning October 1, 2014  
AC# 3-WND-J3

	10/01/14- <u>09/30/15</u>
Interim Reimbursement Rate (1)	\$141.02
Adjusted Reimbursement Rate	<u>139.98</u>
Decrease in Reimbursement Rate	\$ <u><u>1.04</u></u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated June 8, 2016.

**WINDSOR MANOR NURSING FACILITY**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period October 1, 2014 Through September 30, 2015  
 AC# 3-WND-J3

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 65.17	\$ 97.34	
Dietary		17.78	17.36	
Laundry/Housekeeping/Maintenance		<u>16.59</u>	<u>15.17</u>	
Subtotal	\$ <u>9.09</u>	99.54	129.87	\$ 99.54
Administration & Medical Records	\$ <u>4.65</u>	<u>20.32</u>	<u>24.97</u>	<u>20.32</u>
Subtotal		119.86	<u>\$154.84</u>	119.86
<u>Costs Not Subject to Standards:</u>				
Utilities		2.64		2.64
Special Services		.09		.09
Medical Supplies & Oxygen		5.65		5.65
Taxes and Insurance		.94		.94
Legal Fees		<u>.03</u>		<u>.03</u>
<b>TOTAL</b>		<u>\$129.21</u>		129.21
Inflation Factor (3.30%)				4.26
Cost of Capital				4.76
Cost of Capital Limitation				-
Profit Incentive (Maximum 3.5% of Allowable Cost)				4.52
Cost Incentive				9.09
Effect of \$1.75 Cap on Cost/Profit Incentives				<u>(11.86)</u>
<b>ADJUSTED REIMBURSEMENT RATE</b>				<u>\$139.98</u>

**WINDSOR MANOR NURSING FACILITY**  
Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 2013  
AC# 3-WND-J3

<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	\$1,401,622	\$ -	\$ 1,118 (2)	\$1,400,504
Dietary	382,016	-	-	382,016
Laundry	67,642	-	-	67,642
Housekeeping	151,359	-	-	151,359
Maintenance	137,481	-	-	137,481
Administration & Medical Records	449,756	-	12,988 (2)	436,768
Utilities	56,715	-	-	56,715
Special Services	1,934	-	-	1,934
Medical Supplies & Oxygen	128,586	-	6,824 (1) 380 (2)	121,382
Taxes and Insurance	20,175	-	7 (2)	20,168
Legal Fees	768	-	55 (2)	713
Cost of Capital	<u>102,336</u>	<u>-</u>	<u>-</u>	<u>102,336</u>
Subtotal	2,900,390	-	21,372	2,879,018

**WINDSOR MANOR NURSING FACILITY**  
Summary of Costs and Total Patient Days  
For the Cost Report Period Ended September 30, 2013  
AC# 3-WND-J3

<u>Expenses</u>	Totals (From Schedule SC 13) as Adjusted by DH&HS	Adjustments <u>Debit</u>	<u>Credit</u>	Adjusted <u>Totals</u>
Ancillary	57,466	6,824 (1)	-	64,290
Nonallowable	172,499	14,548 (2)	-	187,047
CNA Training and Testing	<u>308</u>	<u>-</u>	<u>-</u>	<u>308</u>
Total Operating Expenses	<u>\$3,130,663</u>	<u>\$21,372</u>	<u>\$21,372</u>	<u>\$3,130,663</u>
Total Patient Days	<u>21,491</u>	<u>-</u>	<u>-</u>	<u>21,491</u>
Total Beds	<u>64</u>			

**WINDSOR MANOR NURSING FACILITY**  
Adjustment Report  
Cost Report Period Ended September 30, 2013  
AC# 3-WND-J3

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Ancillary Medical Supplies & Oxygen	\$ 6,824	\$ 6,824
	To reclassify expense to the proper cost center DH&HS Expense Crosswalk		
2	Nonallowable Nursing Administration Legal Taxes and Insurance Medical Supplies & Oxygen	14,548	1,118 12,988 55 7 380
	To adjust home office cost allocation HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
	TOTAL ADJUSTMENTS	<hr style="width: 10%; margin: 0 auto;"/> <u>\$21,372</u>	<hr style="width: 10%; margin: 0 auto;"/> <u>\$21,372</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.

2 copies of this document were published at an estimated printing cost of \$1.29 each, and a total printing cost of \$2.58. Section 1-11-425 of the South Carolina Code of Laws, as amended requires this information on printing costs be added to the document.