



Examination of Courtland Manor Long-Term Healthcare Facility

Medicaid Cost Report and Nursing Wage Survey

June 30, 2017

Courtland Manor

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Independent Accountant's Report

State of Delaware
Office of Auditor of Accounts
Department of Health & Social Services
Division of Social Services Medicaid
Dover, Delaware

We have examined management's assertions that Courtland Manor (the "Facility") has complied with federal requirements (42 CRF 447.253 and 483 Subpart B) and state requirements (Title XIX Delaware Medicaid State Plan, Attachment 4.19D), as applicable, relative to the Facility's fiscal records of the Department of Health and Social Services ("DHSS"), Division of Social Services, Medicaid Long-Term Care Facilities' Statement of Reimbursement Costs for Skilled and Intermediate Care Nursing Facilities - Title XIX and Nursing Wage Survey ("Statement" and "Survey", respectively) for the fiscal year ended June 30, 2017. The Facility's management is responsible for the assertions. Our responsibility is to express an opinion on the assertions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and United States Government Accountability Office, *Government Auditing Standards* and accordingly included examining, on a test basis, evidence supporting management's assertions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, except for the items listed as adjustments on the accompanying Schedule of Adjustments on pages 4-7, management's assertions referred to above are fairly stated, in all material respects, based on the federal requirements (42 CRF 447.253 and 483 Subpart B) and state requirements (Title XIX Delaware Medicaid State Plan, Attachment 4.19D).

In accordance with *Government Auditing Standards*, we also issued our report dated August 25, 2020 on our consideration of the Facility's internal control over reporting for the Statement and Survey and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance. That report is an integral part of an examination performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our examination.



This report is intended solely for the information and use of the Office of Auditor of Accounts of the State of Delaware, the Department of Health and Social Services of the State of Delaware, the Board of Directors and management of the Facility, Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Office of the State Treasurer and the Department of Finance. However, under 29 Del. C., Section 10002, this report is available to the public and its distribution is not limited.

BDO USA, LLP

August 25, 2020

Courtland Manor Long-Term Healthcare Facility

Schedule of Adjustments to the Statement of Reimbursement Cost for Skilled and Intermediate Care Nursing Facilities - Title XIX and the Nursing Wage Survey

Year ended June 30, 2017

| Description | Page | Line | As Filed Amounts | Examination Adjustments | | Adjusted Amounts | Adjusted Cost Per Day | Note Ref. |
|--|----------|-----------|---------------------|----------------------------|------------------|---------------------|-----------------------------|--------------|
| | | | | No. | Amount | | | |
| <u>PART I - COST REPORT TRIAL BALANCE AND ADJUSTMENTS</u> | | | | | | | | |
| <i>Primary Patient Care Costs (lines 1-5)</i> | | | | | | | | |
| Nursing Staff Salaries | | | | | | | | |
| Agency Costs | 2 | 1a | \$ - | \$ - | \$ - | | | |
| Staff Nurse | 2 | 1b | 1,731,537 | - | 1,731,537 | | | |
| | | | 1,731,537 | - | 1,731,537 | | | |
| Nursing Staff Benefits | 2 | 2 | 231,751 | - | 231,751 | | | |
| Nursing Training Salaries | 2 | 3 | - | - | - | | | |
| Other | 2 | 4 | 1,104 | - | 1,104 | | | |
| Subtotal - Primary Patient Care Costs | 2 | 5 | 1,964,392 | - | 1,964,392 | | \$ 89.60 | |
| <i>Secondary Patient Care Costs (lines 6-14)</i> | | | | | | | | |
| Clinical Consultants | 2 | 6 | 2,700 | - | 2,700 | | | |
| Social Services | 2 | 7 | 87,292 | - | 87,292 | | | |
| Employee Benefits | 2 | 8 | 11,683 | - | 11,683 | | | |
| Raw Food | 2 | 9 | 133,920 | - | 133,920 | | | |
| Medical Supplies | 2 | 10 | 82,299 | - | 82,299 | | | |
| Pharmacy | 2 | 11 | 16,219 | - | 16,219 | | | |
| Other - Allowable Ancillary | 2 | 12 | - | - | - | | | |
| Subtotal - Secondary Patient Care Costs | 2 | 14 | 334,113 | - | 334,113 | | 15.24 | |
| <i>Support Service Costs (lines 15-22)</i> | | | | | | | | |
| Dietary | 2 | 15 | 263,310 | - | 263,310 | | | |
| Operation and Maintenance of Facility | 2 | 16 | 436,358 | - | 436,358 | | | |
| Housekeeping | 2 | 17 | 21,631 | - | 211,631 | | | |
| Laundry & Linen | 2 | 18 | 7,927 | - | 7,927 | | | |
| Patient Recreation | 2 | 19 | 136,717 | - | 136,717 | | | |
| Employee Benefits | 2 | 20 | 128,291 | - | 128,291 | | | |
| Other | 2 | 21 | - | - | - | | | |
| Subtotal - Support Service Costs | 2 | 22 | 994,234 | - | 1,184,234 | | 54.02 | |

Courtland Manor Long-Term Healthcare Facility

Schedule of Adjustments to the Statement of Reimbursement Cost for Skilled and Intermediate Care Nursing Facilities - Title XIX and the Nursing Wage Survey, continued

Year ended June 30, 2017

| <u>Description</u> | <u>Page</u> | <u>Line</u> | <u>As Filed Amounts</u> | <u>Examination Adjustments</u> | | <u>Adjusted Amounts</u> | <u>Adjusted Cost Per Day</u> | <u>Note Ref.</u> |
|---|-------------|-------------|-----------------------------|------------------------------------|---------------|-----------------------------|--------------------------------------|----------------------|
| | | | | <u>No.</u> | <u>Amount</u> | | | |
| <i>Administrative & Routine Costs (lines 23-32)</i> | | | | | | | | |
| Owner/Executive Director Salary | 2 | 23 | - | | - | - | | |
| Medical and Nursing Director Salary | 2 | 24 | 108,000 | | - | 108,000 | | |
| Other Administrative Salaries | 2 | 25 | 830,921 | | - | 830,921 | | |
| Employee Benefits | 2 | 26 | 157,900 | | - | 157,900 | | |
| Medical Records | 2 | 27 | - | | - | - | | |
| Training | 2 | 28 | 1,879 | | - | 1,879 | | |
| Interest - Working Capital | 2 | 29 | - | | - | - | | |
| Home Office - Admin | 2 | 30 | - | | - | - | | |
| Other | 2 | 31 | (50,072) | | - | (50,072) | | |
| Quality Assessment/Provider Tax | 2 | 31A | - | | - | - | | |
| Subtotal - Administrative & Routine Costs | 2 | 32 | 1,048,628 | | - | 1,048,628 | 47.83 | |
| <i>Capital Costs (lines 33-39)</i> | | | | | | | | |
| Lease Costs | 3 | 33 | - | | - | - | | |
| Interest - Mortgage | 3 | 34 | - | | - | - | | |
| Property Taxes | 3 | 35 | 48,959 | | - | 48,959 | | |
| Depreciation | 3 | 36 | 90,265 | | - | 90,265 | | |
| Home Office Capital | 3 | 37 | - | | - | - | | |
| Other | 3 | 38 | 68,329 | | - | 68,329 | | |
| Subtotal - Capital Costs | 3 | 39 | 207,553 | | - | 207,553 | 9.47 | |
| SUBTOTAL (lines 1-39) | 3 | 40 | 4,548,920 | | - | 4,738,920 | 216.15 | |

Courtland Manor Long-Term Healthcare Facility

Schedule of Adjustments to the Statement of Reimbursement Cost for Skilled and Intermediate Care Nursing Facilities - Title XIX and the Nursing Wage Survey, continued

Year ended June 30, 2017

| Description | Page | Line | As Filed Amounts | Examination Adjustments | | Adjusted Amounts | Adjusted Cost Per Day | Note Ref. |
|--------------------------------------|----------|-----------|---------------------|----------------------------|-------------|---------------------|-----------------------------|------------------|
| | | | | No. | Amount | | | |
| Ancillary Costs (lines 41-49) | | | | | | | | |
| Laboratory | 3 | 41 | - | | - | - | | |
| X-Rays | 3 | 42 | - | | - | - | | |
| Physical Therapy | 3 | 43 | 88,767 | | - | 88,767 | | |
| Occupational Therapy | 3 | 44 | 71,810 | | - | 71,810 | | |
| Speech Therapy | 3 | 45 | 13,018 | | - | 13,018 | | |
| Pharmacy (Rx) | 3 | 46 | 10,459 | | - | 10,459 | | |
| Oxygen | 3 | 47 | - | | - | - | | |
| Non Allowable Expenses | 3 | 48 | - | | - | - | | |
| Subtotal - Ancillary Costs | 3 | 49 | 184,054 | | - | 184,054 | | 8.40 |
| Other Costs (lines 50-52) | | | | | | | | |
| Gift, Beauty Shop, etc. | 3 | 50 | - | | - | - | | |
| Util. Review | 3 | 51 | - | | - | - | | |
| Subtotal - Other Costs | 3 | 52 | - | | - | - | | |
| TOTAL COSTS | 3 | 53 | \$ 4,732,974 | | \$ - | \$ 4,922,974 | | \$ 224.55 |

PART II - COST REPORT PATIENT DAYS

| | | | | | | |
|------------------------------|---|------|--------|--|---|---------------|
| Total Beds | 6 | 1, 3 | 70 | | - | 70 |
| Total Bed Days Available | 6 | 4 | 25,550 | | - | 25,550 |
| Medicaid Patient Days | 6 | 5D | 17,396 | | - | 17,396 |
| Medicare Patient Days | 6 | 5F | - | | - | - |
| Private Pay Patient Days | 6 | 5G,H | 4,267 | | - | 4,267 |
| Other Days | 6 | 5I | 261 | | - | 261 |
| Total Census Days | 6 | 5J | 21,924 | | - | 21,924 |
| 90% Minimum Census Threshold | 6 | | 22,995 | | - | 22,995 |

Courtland Manor Long-Term Healthcare Facility

Schedule of Adjustments to the Statement of Reimbursement Cost for Skilled and Intermediate Care Nursing Facilities - Title XIX and the Nursing Wage Survey, continued

Year ended June 30, 2017

| <u>Description</u> | <u>Page</u> | <u>Line</u> | <u>As Filed Amounts</u> | <u>Examination Adjustments</u> | | <u>Adjusted Amounts</u> | |
|--|-------------|-------------|-----------------------------|------------------------------------|---------------|-----------------------------|-------|
| | | | | <u>No.</u> | <u>Amount</u> | | |
| <u>PART III - NURSING WAGE SURVEY</u> | | | | | | | |
| <i>II-A - Administrative Nurses</i> | | | | | | | |
| RN's - Total Payroll | 3 | A | 14,710 | | (108) | 14,602 | NWS-1 |

PART IV - DETAILED EXPLANATION OF ADJUSTMENTS

NWS-1 *To adjust Nursing Wage Survey to agree to supporting documentation.*



Independent Accountant’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Examination of Financial Statements Performed in Accordance With *Government Auditing Standards*

State of Delaware
Office of Auditor of Accounts
Department of Health & Social Services
Division of Social Services Medicaid
Dover, Delaware

We have examined management’s assertions that Courtland Manor (the “Facility”) has complied with federal requirements (42 CFR 447.253 and 483 Subpart B) and state requirements (Title XIX Delaware Medicaid State Plan, Attachment 4.19D), as applicable, relative to the Facility’s fiscal records of the Department of Health and Social Services (DHSS), Division of Social Services, Medicaid Long-Term Care Facilities’ Statement of Reimbursement Costs for Skilled and Intermediate Care Nursing Facilities - Title XIX and Nursing Wage Survey (“Statement” and “Survey”, respectively) for the fiscal year ended June 30, 2017, and have issued our report thereon dated August 25, 2020. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to financial examinations contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control Over Reporting

In planning and performing our examination, we considered the Facility’s internal control over financial reporting in order to determine our examination procedures for the purpose of expressing our opinions on management’s assertions, but not for the purposes of expressing an opinion on the effectiveness of the Facility’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Facility’s internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Statement or Survey will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Facility's Statement and Survey are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of reported amounts. However, providing an opinion on compliance with those provisions was not an objective of our examination, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Facility's internal control or on compliance. This report is an integral part of an examination performed in accordance with *Government Auditing Standards* in considering the Facility's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Office of Auditor of Accounts of the State of Delaware, the Department of Health and Social Services of the State of Delaware, the Board of Directors and management of the Facility, Office of the Governor, Office of the Controller General, Office of the Attorney General, Office of Management and Budget, Office of the State Treasurer, and the Department of Finance. However, under 29 Del. C., Section 10002, this report is available to the public and its distribution is not limited.

BDO USA, LLP

August 25, 2020

Courtland Manor Long-Term Healthcare Facility
Schedule of Findings and Responses

June 30, 2017

CURRENT YEAR CONDITIONS

NONE.