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STATE AUDITOR

*Examination of
Harbor Healthcare and
Rehabilitation Center Long-Term
Care Facility
Fiscal Year Ended June 30, 2018*

What Was Performed An examination of the Harbor Healthcare and Rehabilitation Center's fiscal records of the Delaware Department of Health and Social Services, Division of Medicaid and Medical Assistance, Medicaid Long-Term Care Facilities' Statement of Reimbursement Costs for Skilled and Intermediate Care Nursing Facilities – Title XIX and Nursing Wage Survey (cost report and nursing wage survey, respectively) for fiscal year ended June 30, 2018.

Why This Engagement? The State Auditor is authorized under 29 Del. C., §2906 to conduct post-audits of all financial transactions of all state agencies. This engagement was conducted in accordance with federal requirements (42 CFR 447.253 and 483 Subpart B) and state requirements (Title XIX Delaware Medicaid State Plan, Attachment 4.19D) (criteria), as applicable to the Harbor Healthcare and Rehabilitation Center's fiscal records. The criteria were used to prepare the Schedule of Adjustments to the Trial Balance, Patient Days, and Nursing Wage Survey for fiscal year ended June 30, 2018 found in the report.

The State of Delaware is required to ensure that the fiscal records at the nursing care facilities are retained and properly support the cost report, or the financial report showing the cost and charges related to Medicaid activities, submitted to the Medicaid Agency. These costs must be compliant with federal and state regulations. Under the Delaware Medicaid State Plan, the state is required to examine a sample of facilities located within the state to ensure the facilities' cost reports and nursing wage surveys are compliant with federal and state requirements.

What Was Found? The examination identified one finding, resulting in both a material weakness in internal control and a compliance finding. The examination was limited in that we were unable to obtain sufficient information to support facility costs incurred and patient census data to adequately test the underlying data used to prepare the cost report and survey. The facility did not provide sufficient supporting documentation for facility costs, including payroll, patient census data, and other costs for the period under examination. Not being able to support the costs recorded could result in a disallowance of those costs, which would affect the facility's reimbursement rate.

The Harbor Healthcare and Rehabilitation Center Long-Term Healthcare Facility Examination for Fiscal Year ended June 30, 2018, can be found on our website: [click here](#).

For any questions regarding the attached report, please contact State Auditor Kathleen K. McGuinness at Kathleen.Mcguinness@delaware.gov.
