



COMPLETE CARE AT HILLSIDE LONG TERM CARE FACILITY

EXAMINATION
FOR YEAR ENDED JUNE 30, 2019

COMPLETE CARE AT HILLSIDE LONG TERM CARE FACILITY

REPORT SUMMARY FOR FISCAL YEAR ENDED JUNE 30, 2019

BACKGROUND

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 Complete Care at Hillside LLC's Long-Term Care Facility 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, 2019, 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.



KEY INFORMATION AND FINDINGS

It is my pleasure to report that an unqualified opinion was issued for this examination. There were no findings found and the Complete Care at Hillside LLC's Long-Term Care Facility complied, in all material respects, with the criteria mentioned above.



For any questions regarding the attached report, please contact
OAOA_Comms@delaware.gov.

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FULL REPORT](#)**

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Independent Accountant's Report

State of Delaware
Office of Auditor of Accounts
401 Federal Street
Dover, DE 19901

Department of Health and Social Services
Division of Medicaid and Medical Assistance
Medicaid's Long Term Care Facilities
1901 N. Dupont Highway, Lewis Building
New Castle, DE 19720

Provider: Complete Care at Hillside LLC
Period: Fiscal Year Ended June 30, 2019

We have examined management's assertions that Complete Care at Hillside LLC (Provider) has complied with federal requirements (42 Code of Federal Regulations [CFR] 447.253 and 483 Subpart B) and state requirements (Title XIX Delaware Medicaid State Plan, Attachment 4.19D) (criteria), as applicable, relative to the Provider'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 (cost report and survey, respectively) for the fiscal year ended June 30, 2019. The Provider's management is responsible for the assertions and the information contained in the cost report and survey, which were reported to DHSS for purposes of the criteria described above. The criteria was used to prepare the Schedule of Adjustments to the Trial Balance, Patient Days, and Nursing Wage Survey. Our responsibility is to express an opinion on the assertions based on our examination.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our engagement.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are in accordance with the criteria in all material respects. An examination includes performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

The accompanying Schedule of Adjustments to the Trial Balance, Patient Days, and Nursing Wage Survey were prepared from information contained in the Provider's cost report for the purpose of complying with the DHSS's requirements for the Medicaid program reimbursement, and is not intended to be a complete presentation in conformity with accounting principles generally accepted in the United States of America.

The items listed as adjustments on the accompanying Schedule of Adjustments to the Trial Balance, Patient Days, and Nursing Wage Survey do not materially impact the Provider's assertion.

In our opinion, management's assertions, referred to above, are presented in accordance with the criteria, in all material respects.

In accordance with *Government Auditing Standards*, we also issued our report dated February 13, 2023 on our consideration of the Provider's internal control over reporting for the cost report 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 State of Delaware Office of Auditor of Accounts, DHSS, Division of Medicaid and Medical Assistance, and Medicaid's Long Term Care Facilities and is not intended to be and should not be used by anyone other than the specified parties. However, under 29 Del. C. §10002, this report is public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, the Office of the Controller General, the Office of the Attorney General, the General Assembly, and the Office of Management and Budget.

Myers and Stauffer LC

Myers and Stauffer LC
Owings Mills, Maryland
February 13, 2023

Complete Care at Hillside LLC
Schedule of Adjustments to the Trial Balance for the Fiscal Year Ended June 30, 2019

Type of Cost	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
Primary Patient Care Costs per Trial Balance of Costs		\$ 3,528,543		
	Adjustments to Primary Patient Care Costs			
6	To properly reflect verified benefits expense and benefits allocation		\$ (16,328)	
Net Primary Patient Care Costs		\$ 3,528,543	\$ (16,328)	\$ 3,512,215
Primary Patient Care Cost Per Day (*)		\$ 99.4	\$ (0.5)	\$ 98.9
Secondary Patient Care Costs per Trial Balance of Costs				
Secondary Patient Care Costs per Trial Balance of Costs		\$ 528,459		
	Adjustments to Secondary Patient Care Costs			
1	To remove unpaid invoices not paid within one year after fiscal period		\$ (12,961)	
2	To reclassify prescription drug expense to the proper cost center		\$ (12,136)	
8	To properly reflect verified benefits expense and benefits allocation		\$ (733)	
Net Secondary Patient Care Costs		\$ 528,459	\$ (25,830)	\$ 502,629
Secondary Patient Care Cost Per Day (*)		\$ 14.9	\$ (0.7)	\$ 14.2
Support Service Costs per Trial Balance of Costs				
Support Service Costs per Trial Balance of Costs		\$ 1,334,511		
	Adjustments to Support Service Costs			
1	To remove unpaid invoices not paid within one year after fiscal period		\$ (1,734)	
8	To properly reflect verified benefits expense and benefits allocation		\$ (1,138)	
Net Support Service Costs		\$ 1,334,511	\$ (2,872)	\$ 1,331,639
Support Service Cost Per Day (*)		\$ 37.6	\$ (0.1)	\$ 37.5
Administrative & Routine Costs per Trial Balance of Costs				
Administrative & Routine Costs per Trial Balance of Costs		\$ 1,747,872		
	Adjustments to Administrative & Routine Costs			
3	To reclassify storage rental expense to the proper cost center		\$ (3,211)	
4	To reflect verified Non-Property Insurance expense		\$ (158,890)	
8	To properly reflect verified benefits expense and benefits allocation		\$ (4,262)	
7	To reflect the verified passdown of Home Office costs		\$ (6,863)	
Net Administrative & Routine Costs		\$ 1,747,872	\$ (173,226)	\$ 1,574,646
Administrative & Routine Cost Per Day (*)		\$ 49.2	\$ (4.9)	\$ 44.4

(*) Adjusted Cost Per Day is calculated utilizing actual patient days.

Complete Care at Hillside LLC
Schedule of Adjustments to the Trial Balance for the Fiscal Year Ended June 30, 2019

Type of Cost	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
Capital Costs per Trial Balance of Costs		\$ 873,127		
Adjustments to Capital Costs				
3	To reclassify storage rental expense to the proper cost center		\$ 3,211	
5	To adjust depreciation expense to reflect verified		\$ (57,242)	
8	To properly reflect verified interest expense		\$ 83,772	
Net Capital Costs		\$ 873,127	\$ 29,741	\$ 902,868
Net Capital Cost Per Day (*)		\$ 24.6	\$ 0.8	\$ 25.4
Ancillary Costs per Trial Balance of Costs		\$ 1,061,733		
Adjustments to Ancillary Costs				
1	To remove unpaid invoices not paid within one year after fiscal period		\$ (759)	
2	To reclassify prescription drug expense to the proper cost center		\$ 12,136	
Net Ancillary Costs		\$ 1,061,733	\$ 11,377	\$ 1,073,110
Ancillary Cost Per Day (*)		\$ 29.9	\$ 0.3	\$ 30.2
Other Costs per Trial Balance of Costs		\$ 3,175		
Adjustments to Other Costs				
	None		\$ -	
Net Other Costs		\$ 3,175	\$ -	\$ 3,175
Other Cost Per Day (*)		\$ 0.1	\$ -	\$ 0.1

(*) Adjusted Cost Per Day is calculated utilizing actual patient days.

Complete Care at Hillside LLC				
Schedule of Adjustments to Patient Days for the Fiscal Year Ended June 30, 2019				
Census Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Census				
	Bed days available			38,690
	Medicaid Non-Super Skilled Patient Days	28,572		
	Adjustments to Medicaid Patient Days		-	
	Medicaid Super Skilled Patient Days	-		
	Adjustments to Medicaid Super Skilled Patient Days		-	
	Medicare Patient Days	5,253		
	Adjustments to Medicare Patient Days		(43)	
	Private Pay Patient Days	200		
	Adjustments to Private Pay Patient Days		1	
	Medicare/Private Pay Hospice Patient Days	1,474		
	Adjustments to Medicare/Private Pay Hospice Patient Days		(1,400)	
	Other Patient Days	-		
	Adjustments to Other Patient Days		1,442	
	Total Patient Days	35,499	-	35,499
	Minimum Occupancy			34,821

Complete Care at Hillside LLC				
Schedule of Adjustments to the Nursing Wage Survey for the Fiscal Year Ended June 30, 2019				
Nurse Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Nursing Wage Survey				
II-A Administrative Nurses				
	Director of Nursing - Total Payroll	\$ 4,038	\$ -	\$ 4,038
	Director of Nursing - Total Hours	80.0	-	80.0
	Assistant Director of Nursing - Total Payroll	\$ 2,923	\$ -	\$ 2,923
	Assistant Director of Nursing - Total Hours	80.0	-	80.0
	Registered Nurses - Total Payroll	\$ 6,018	\$ -	\$ 6,018
	Registered Nurses - Total Hours	152.0	-	152.0
	Licensed Practical Nurses - Total Payroll	\$ 1,741	\$ -	\$ 1,741
	Licensed Practical Nurses - Total Hours	56.0	-	56.0
	Nurse Aides - Total Payroll	\$ -	\$ -	\$ -
	Nurse Aides - Total Hours	-	-	-
II-B All Remaining Nursing Staff				
	Registered Nurses - Total Payroll	\$ 25,791	\$ -	\$ 25,791
	Registered Nurses - Total Hours	755.4	-	755.4
	Licensed Practical Nurses - Total Payroll	\$ 34,432	\$ -	\$ 34,432
	Licensed Practical Nurses - Total Hours	1,324.7	-	1,324.7
	Nurse Aides - Total Payroll	\$ 44,305	\$ -	\$ 44,305
	Nurse Aides - Total Hours	2,955.4	-	2,955.4

Commentary

None.



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
401 Federal Street
Dover, DE 19901

Department of Health and Social Services
Division of Medicaid and Medical Assistance
Medicaid's Long Term Care Facilities
1901 N. Dupont Highway, Lewis Building
New Castle, DE 19720

We have examined management’s assertions that Complete Care at Hillside LLC (Provider) 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 Provider’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 (cost report and survey, respectively) for the fiscal year ended June 30, 2019, and have issued our report thereon dated February 13, 2023. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) 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 Provider’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 Provider’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Provider’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 cost report 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 Provider's cost report 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 Provider'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 Provider'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 State of Delaware Office of Auditor of Accounts, DHSS, Division of Medicaid and Medical Assistance, and Medicaid's Long Term Care Facilities and is not intended to be and should not be used by anyone other than the specified parties. However, under 29 Del. C. §10002, this report is public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Office of the Controller General, Office of the Attorney General, the General Assembly, and Office of Management and Budget.

Myers and Stauffer LC

Myers and Stauffer LC
Owings Mills, Maryland
February 13, 2023

Complete Care at Hillside LLC
Schedule of Findings for the Fiscal Year Ended June 30, 2019

Findings and Responses

None.