



COMPLETE CARE AT BRACKENVILLE

EXAMINATION
FISCAL YEAR ENDED JUNE 30, 2020



COMPLETE CARE AT BRACKENVILLE

REPORT SUMMARY FOR FISCAL YEAR ENDED JUNE 30, 2020

BACKGROUND

An examination of the Complete Care at Brackenville Long-Term Care Facility 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, 2020.

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 of Brackenville 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, 2020, found in the report.

KEY INFORMATION AND FINDINGS

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. 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 to ensure the facilities' cost reports, patient days, and nursing wage surveys are compliant.

It is my pleasure to report that an **unqualified opinion*** was issued for this examination and Complete Care at Brackenville Long-Term Care Facility complied, in all material respects, with the criteria mentioned above.

There were a total of eight (8) findings issued including six adjustments and two comments to the Trial Balance, Patient Days, or Nursing Survey Report that are stated below:

1. The Provider included non-allowable certified nurse aides training and certification expense with reimbursable cost.
2. The Provider grouped ancillary expense to improper cost centers.
3. The Provider submitted related party profit with allowable expense.
4. The Provider's adjustment for allocated home office expense did not account for all required adjustments allowable at the facility.
5. The Provider maintains self-insurance for health, workers compensation, and general liability insurance expense. The self-insurance fund is not set up through an independent fiduciary.
6. Verified patient days agreed in total but variances between Medicaid, Private, and Medicare/Private Hospice patient days were noted.
7. The Provider did not properly calculate total patient days available on the cost report.
8. The Provider did not maintain supporting documentation for patient census information

*Unqualified Opinion - An unqualified opinion is considered a clean report. An unqualified opinion doesn't have any adverse comments, and it doesn't include any disclaimers about any clauses or the audit process.

The background features a blurred medical scene with a green overlay. A large white cross is centered. Various medical icons are scattered: a syringe at the top right, a pill, a virus, a stethoscope at the bottom left, and a group of three people. A white diagonal line separates the green area from a dark grey area on the right.

**STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS**

INDEPENDENT ACCOUNTANT'S REPORT

**Examination of
Complete Care at Brackenville**
For Fiscal Year Ended June 30, 2020



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

Table of Contents

■ Independent Accountant’s Report.....	1
■ Schedule of Adjustments to the Trial Balance	3
■ Schedule of Adjustments to Patient Days.....	5
■ Schedule of Adjustments to the Nursing Wage Survey	5
■ Resident Fund and General Commentary.....	6
■ Independent Accountant’s Report on Internal Control Over Financial Reporting.....	7
■ Schedule of Findings.....	9



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 Brackenville
Period: Fiscal Year Ended June 30, 2020

We have examined management's assertions that Complete Care at Brackenville (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, 2020. 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 professional 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 January 5, 2024 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
Owings Mills, Maryland
January 5, 2024

Complete Care at Brackenville
Schedule of Adjustments to the Trial Balance for the Fiscal Year Ending June 30, 2020

Type of Cost	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
Primary Patient Care Costs per Trial Balance of Costs		\$ 4,515,811		
	Adjustments to Primary Patient Care Costs			
4	To remove related party profit related to career staffing		\$ (13,950)	
7	To properly reflect verified health and workers compensation insurance		\$ 93,735	
Net Primary Patient Care Costs		\$ 4,515,811	\$ 79,785	\$ 4,595,596
Primary Patient Care Cost Per Day (*)		\$ 129.7	\$ 2.3	\$ 132.0
Secondary Patient Care Costs per Trial Balance of Costs		\$ 521,843		
	Adjustments to Secondary Patient Care Costs			
2	To reclassify ancillary Rx expense to the proper cost center		\$ (22,444)	
7	To properly reflect verified health and workers compensation insurance		\$ 5,289	
Net Secondary Patient Care Costs		\$ 521,843	\$ (17,155)	\$ 504,688
Secondary Patient Care Cost Per Day (*)		\$ 15.0	\$ (0.5)	\$ 14.5
Support Service Costs per Trial Balance of Costs		\$ 1,501,792		
	Adjustments to Support Service Costs			
7	To properly reflect verified health and workers compensation insurance		\$ 8,774	
Net Support Service Costs		\$ 1,501,792	\$ 8,774	\$ 1,510,566
Support Service Cost Per Day (*)		\$ 43.1	\$ 0.3	\$ 43.4
Administrative & Routine Costs per Trial Balance of Costs		\$ 1,978,914		
	Adjustments to Administrative & Routine Costs			
1	To remove non-allowable CNA training expense		\$ (16,800)	
3	To adjust general liability insurance expense based on the Medicare Cost Report		\$ (126,962)	
5	To remove related party profit related to physician services		\$ (2,530)	
6	To reflect verified home office passdown expense		\$ 5,439	
7	To properly reflect verified health and workers compensation insurance		\$ 33,870	
Net Administrative & Routine Costs		\$ 1,978,914	\$ (106,983)	\$ 1,871,931
Administrative & Routine Cost Per Day (*)		\$ 56.8	\$ (3.1)	\$ 53.7

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

Complete Care at Brackenville
Schedule of Adjustments to the Trial Balance for the Fiscal Year Ending June 30, 2020

Type of Cost	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
Capital Costs per Trial Balance of Costs		\$ 496,893		
	Adjustments to Capital Costs			
6	To reflect verified home office passdown expense		\$ 1,461	
Net Capital Costs		\$ 496,893	\$ 1,461	\$ 498,354
Net Capital Cost Per Day (*)		\$ 14.3	\$ 0.0	\$ 14.3
Ancillary Costs per Trial Balance of Costs		\$ 664,923		
	Adjustments to Ancillary Costs			
2	To reclassify ancillary Rx expense to the proper cost center		\$ 22,444	
Net Ancillary Costs		\$ 664,923	\$ 22,444	\$ 687,367
Ancillary Cost Per Day (*)		\$ 19.1	\$ 0.6	\$ 19.7
Other Costs per Trial Balance of Costs		\$ 14,506		
	Adjustments to Other Costs			
	None		\$ -	
Net Other Costs		\$ 14,506	\$ -	\$ 14,506
Other Cost Per Day (*)		\$ 0.4	\$ -	\$ 0.4

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

Complete Care at Brackenville				
Schedule of Adjustments to Patient Days for the Fiscal Year Ending June 30, 2020				
Census Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Census				
Bed days available				38,064
Medicaid Non-Super Skilled Patient Days		21,720		
	Adjustments to Medicaid Patient Days		(92)	
Medicaid Super Skilled Patient Days		-		
	Adjustments to Medicaid Super Skilled Patient Days		-	
Medicare Patient Days		4,614		
	Adjustments to Medicare Patient Days		-	
Private Pay Patient Days		7,214		
	Adjustments to Private Pay Patient Days		61	
Medicare/Private Pay Hospice Patient Days		1,208		
	Adjustments to Medicare/Private Pay Hospice Patient Days		31	
Other Patient Days		72		
	Adjustments to Other Patient Days		-	
Total Patient Days		34,828	-	34,828
Minimum Occupancy				34,258

Complete Care at Brackenville				
Schedule of Adjustments to the Nursing Wage Survey for the Fiscal Year Ending June 30, 2020				
Nurse Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Nursing Wage Survey				
II-A Administrative Nurses				
	Director of Nursing - Total Payroll	\$ 4,730	\$ -	\$ 4,730
	Director of Nursing - Total Hours	80.0	-	80.0
	Assistant Director of Nursing - Total Payroll	\$ 2,979	\$ -	\$ 2,979
	Assistant Director of Nursing - Total Hours	80.0	-	80.0
	Registered Nurses - Total Payroll	\$ 3,574	\$ -	\$ 3,574
	Registered Nurses - Total Hours	80.0	-	80.0
	Licensed Practical Nurses - Total Payroll	\$ -	\$ -	\$ -
	Licensed Practical Nurses - Total Hours	-	-	-
	Nurse Aides - Total Payroll	\$ -	\$ -	\$ -
	Nurse Aides - Total Hours	-	-	-
II-B All Remaining Nursing Staff				
	Registered Nurses - Total Payroll	\$ 12,515	\$ -	\$ 12,515
	Registered Nurses - Total Hours	375.3	-	375.3
	Licensed Practical Nurses - Total Payroll	\$ 30,722	\$ -	\$ 30,722
	Licensed Practical Nurses - Total Hours	1,147.8	-	1,147.8
	Nurse Aides - Total Payroll	\$ 26,921	\$ -	\$ 26,921
	Nurse Aides - Total Hours	1,734.1	-	1,734.1

Commentary

- 1) The provider calculated bed days available based around a regular year days count of 365 instead of the leap year count of 366.
- 2) The provider did not support the 20 in-house days across 10 patients, payer source for eight patients and Medicaid eligibility for four patients.



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 Brackenville (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), 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, 2020, and have issued our report thereon dated January 5, 2024. 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, the Office of the Controller General, Office of the Attorney General, the General Assembly, and the Office of Management and Budget.

Myers and Stauffer LC
Owings Mills, Maryland
January 5, 2024

Complete Care at Brackenville
Schedule of Findings for the Fiscal Year Ending June 30, 2020

Findings and Responses

Finding 20-01 **Adjustment Number(s) Impacted: 1**

Condition: The Provider included non-allowable certified nurse aides training and certification expense with reimbursable cost.

Criteria: Title XIX Delaware Medicaid State Plan, Attachment 4.19D requires cost of training and certification of nurse aides to be billed separately by the facilities as incurred, and reimbursed directly by Medicaid.

Cause: Non-allowable expenses were submitted with allowable costs on the State of Delaware Medicaid Cost Report.

Effect: Management included non-allowable costs on the cost report resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the administrative and routine cost center is overstated.

Recommendation: Management should review submitted cost report expense to ensure they are appropriate when completing the State of Delaware Medicaid Cost Report.

Management's Response: Management did not provide a response.

Finding 20-02 **Adjustment Number(s) Impacted: 2**

Condition: The Provider grouped ancillary expense to improper cost centers.

Criteria: State of Delaware Department of Health and Social Services Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities provides descriptions by cost center line on the appropriate grouping of expense. Ancillary expenses are to be grouped to the ancillary cost centers.

Cause: Management's working trial balance account cost report grouping schedule does not align with the requirements in the Medicaid cost report instructions.

Effect: Management did not properly group expense resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the ancillary is understated while the secondary is overstated.

Recommendation: Management should submit expenses on the Medicaid cost report in accordance with account groupings identified in the State of Delaware Department of Health and Social Services Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities.

Management's Response: Management did not provide a response.

Finding 20-03 **Adjustment Number(s) Impacted: 4 and 5**

Condition: The Provider submitted related party profit with allowable expense.

Criteria: Provider Reimbursement Manual 15-1, Chapter 10, Section 1000 states costs applicable to services, facilities, and supplies furnished to the Provider by organizations related to the Provider by common ownership or control are includable in the allowable cost of the Provider at the cost to the related organization.

Cause: Management determined two entities, Genesis CareerStaff and Genesis Physician Services, qualified under the related party exception. Both failed to meet either the first qualifier of being a bona fide separate organization or having a substantial part of the related party's business activity of the type carried on with the provider transacted with other organizations not related to the Provider.

Effect: Management did not remove related party profit from expense resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the primary and the administrative and routine cost centers are overstated.

Recommendation: Management should ensure related party expenses are submitted in accordance with appropriate regulations when completing the State of Delaware Medicaid Cost Report.

Management's Response: Management did not provide a response.

Finding 20-04 Adjustment Number(s) Impacted: 6

Condition: The Provider's adjustment for allocated home office expense did not account for all required adjustments allowable at the facility.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2150 requires Home office costs that are not otherwise allowable costs when incurred directly by the Provider cannot be allowable as home office costs to be allocated to providers.

Cause: Non-allowable portion of case manager salaries was submitted with allowable expense, bonus salaries were not included on the home office costs statement, and interest expense related to Genesis Healthcare of Maine was not directly allocated.

Effect: Management included non-allowable marketing salaries, direct interest expense and did not include bonus salaries, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the administrative and routine and the capital cost centers are understated.

Recommendation: Management should submit home office costs in accordance with appropriate regulations.

Management's Response: Management did not provide a response.

Finding 20-05 Adjustment Number(s) Impacted: 3 and 7

Condition: The Provider maintains self insurance for health, workers compensation, and general liability insurance expense. The self insurance fund is not setup through an independent fiduciary.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2161 requires the self insurance fund to be setup through a third party independent fiduciary to allow fund contributions. In lieu of fund contributions, actual claims paid for the cost report period can be submitted as expense.

Cause: The Provider does not meet the requirements to be considered a self insured program. A cost report adjustment was not proposed to properly adjust accrued expense for health, workers compensation, and general liability insurance to claims paid.

Effect: Management does not qualify as self insured under Provider Reimbursement Manual 15-1, Chapter 21, Section 2161 resulting in adjustment to claims paid and a compliance finding. The calculated reimbursement rate submitted on the cost report for the Primary, Secondary, and Support Service cost centers are understated while the Administrative cost center is overstated.

Recommendation: Management should ensure insurance expense is submitted in accordance with applicable regulations when completing the State of Delaware Medicaid Cost Report.

Management's Response: Management did not provide a response.

Finding 20-06 Schedule of Adjustments to Patient Days

Condition: Verified patient days agreed in total but variances between Medicaid, Private, and Medicare/Private Hospice patient days were noted.

Criteria: State of Delaware Department of Health and Social Services Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities provides descriptions by census line on the appropriate classification of patient days. Line 5D should reflect total Medicaid patient days, Line 5G should reflect Private patient days, and Line 5H should reflect Medicare/Private Pay Hospice patient days.

Cause: Management did not utilize a finalized census when preparing the cost report as payer classification variances existed.

Effect: Management did not properly group patient days resulting in a compliance finding.

Recommendation: Management should utilize a finalized census to accurately report patient days on the State of Delaware Medicaid Cost Report.

Management's Response: Management did not provide a response.

Finding 20-07 **Comment Number(s) Impacted: 1**

Condition: The Provider did not properly calculate total patient days available on the cost report.

Criteria: Delaware Medicaid Nursing Facility Cost Report instructions Patient Days section requires line 4 of Page 6 Patient Days reflect total bed days available for the year. This is determined by multiplying the number of available beds by the number of days in the reporting period.

Cause: Management calculated bed days available based on 365 days rather than 366 actual days in the reporting period.

Effect: Management did not properly calculate total patient days available resulting in a compliance finding. The calculated reimbursement rates submitted on the cost report for all cost centers are overstated.

Recommendation: Management should ensure that all calculated fields are accurate on the State of Delaware Medicaid Cost Report prior to submission.

Management's Response: Management did not provide a response.

Finding 20-08 **Comment Number(s) Impacted: 2**

Condition: The provider did not maintain supporting documentation for patient census information.

Criteria: The Medicaid Cost Report for Nursing Facilities should be supported by a trial balance and necessary schedules. The Facility should have internal controls in place to ensure that the trial balance and schedules are available for audit within the State of Delaware by the Medicaid Agency or its designated representative for a period of five years after the date of filing of the Medicaid Cost Report with the Medicaid Agency.

Cause: The facility changed ownership outside of the cost report period and all patient related documents transferred to the new owner. New management was unable to access the requested patient records related to the cost report period.

Effect: Management was unable to provide the detail support for patient census data recorded on the cost report, resulting in a compliance finding. Not being able to support the number of patient days could result in an adjustment that would affect the Facility's calculated reimbursement rate.

Recommendation: Management should ensure they have internal controls in place to comply with requirement to keep supporting data for a period of five years.

Management's Response: Management did not provide a response.