



COURTLAND MANOR

EXAMINATION
FISCAL YEAR ENDED JUNE 30, 2020



COURTLAND MANOR

REPORT SUMMARY FOR FISCAL YEAR ENDED JUNE 30, 2020

BACKGROUND

An examination of the Courtland Manor 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 Courtland Manor 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 Courtland Manor Long-Term Care Facility complied, in all material respects, with the criteria mentioned above.

There were four (4) adjustment findings issued related to the Trial Balance, Patient Days, or Nursing Survey Report that are stated below:

1. The Provider included non-allowable promotional advertising expense with reimbursable cost.
2. The Provider improperly adjusted salary and benefits pertaining to the Director of Nursing, Assistant Director of Nursing, and Nurse Supervisors.
3. The Provider grouped equipment rental expenditures to improper cost centers.
4. The Provider improperly recorded total pay and total hours for administrative registered nurses, non-administrative registered nurses, non-administrative licensed practical nurses, and non-administrative nurses aides on the nursing wage survey.

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.

*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 of the cover is a blurred photograph of a medical professional in a white coat, with a large green cross overlaid on their chest. The entire image is covered with a semi-transparent green overlay. Various medical icons are scattered across the green area, including a syringe, a pill, a stethoscope, a microscope, a person icon, and a group of three people icon. A white diagonal line runs from the bottom left towards the top right, separating the green area from the dark grey area.

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

INDEPENDENT ACCOUNTANT'S REPORT

**Examination of
Courtland Manor**
For Fiscal Year Ended June 30, 2020



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

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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: Courtland Manor
Period: Fiscal Year Ended June 30, 2020

We have examined management's assertions that Courtland Manor (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

Courtland Manor
Schedule of Adjustments to the Trial Balance for the Fiscal Year Ended June 30, 2020

Type of Cost	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
Primary Patient Care Costs per Trial Balance of Costs		\$ 2,186,197		
	Adjustments to Primary Patient Care Costs			
2	To reclassify nursing admin salaries to the appropriate cost center		\$ (56,722)	
3	To reclassify nursing admin benefits to the appropriate cost center		\$ (7,486)	
Net Primary Patient Care Costs		\$ 2,186,197	\$ (64,208)	\$ 2,121,989
Primary Patient Care Cost Per Day (*)		\$ 101.8	\$ (2.8)	\$ 92.0
Secondary Patient Care Costs per Trial Balance of Costs		\$ 363,773		
	Adjustments to Secondary Patient Care Costs			
4	To reclassify equipment rental to the appropriate cost center		\$ (3,955)	
Net Secondary Patient Care Costs		\$ 363,773	\$ (3,955)	\$ 359,818
Secondary Patient Care Cost Per Day (*)		\$ 16.9	\$ (0.2)	\$ 15.6
Support Service Costs per Trial Balance of Costs		\$ 1,212,422		
	Adjustments to Support Service Costs			
5	To reclassify equipment rental to the appropriate cost center		\$ (1,633)	
Net Support Service Costs		\$ 1,212,422	\$ (1,633)	\$ 1,210,789
Support Service Cost Per Day (*)		\$ 56.4	\$ (0.1)	\$ 52.5
Administrative & Routine Costs per Trial Balance of Costs		\$ 1,298,074		
	Adjustments to Administrative & Routine Costs			
1	To remove non-allowable promotional advertising expense		\$ (37,389)	
2	To reclassify nursing admin salaries to the appropriate cost center		\$ 56,722	
3	To reclassify nursing admin benefits to the appropriate cost center		\$ 7,486	
Net Administrative & Routine Costs		\$ 1,298,074	\$ 26,819	\$ 1,324,893
Administrative & Routine Cost Per Day (*)		\$ 60.4	\$ 1.2	\$ 57.5
Capital Costs per Trial Balance of Costs		\$ 181,704		
	Adjustments to Capital Costs			
4	To reclassify equipment rental to the appropriate cost center		\$ 3,955	
5	To reclassify equipment rental to the appropriate cost center		\$ 1,633	
Net Capital Costs		\$ 181,704	\$ 5,588	\$ 187,292
Net Capital Cost Per Day (*)		\$ 8.5	\$ 0.2	\$ 8.1
Ancillary Costs per Trial Balance of Costs		\$ 119,488		
	Adjustments to Ancillary Costs			
	None		\$ -	
Net Ancillary Costs		\$ 119,488	\$ -	\$ 119,488
Ancillary Cost Per Day (*)		\$ 5.6	\$ -	\$ 5.2
Other Costs per Trial Balance of Costs		\$ -		
	Adjustments to Other Costs			
	None		\$ -	
Net Other Costs		\$ -	\$ -	\$ -
Other Cost Per Day (*)		\$ -	\$ -	\$ -

(*) Adjusted Cost Per Day is calculated utilizing days at minimum occupancy.

Courtland Manor				
Schedule of Adjustments to Patient Days for the Fiscal Year Ended June 30, 2020				
Census Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Census				
	Bed days available			25,620
	Medicaid Non-Super Skilled Patient Days	17,900		
	Adjustments to Medicaid Patient Days		-	
	Medicaid Super Skilled Patient Days	-		
	Adjustments to Medicaid Super Skilled Patient Days		-	
	Medicare Patient Days	131		
	Adjustments to Medicare Patient Days		-	
	Private Pay Patient Days	3,280		
	Adjustments to Private Pay Patient Days		-	
	Medicare/Private Pay Hospice Patient Days	20		
	Adjustments to Medicare/Private Pay Hospice Patient Days		-	
	Other Patient Days	150		
	Adjustments to Other Patient Days		-	
	Total Patient Days	21,481	-	21,481
	Minimum Occupancy			23,058

Courtland Manor				
Schedule of Adjustments to the Nursing Wage Survey for the Fiscal Year Ended June 30, 2020				
Nurse Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Nursing Wage Survey				
II-A Administrative Nurses				
	Director of Nursing - Total Payroll	\$ 3,760	\$ -	\$ 3,760
	Director of Nursing - Total Hours	80.0	-	80.0
	Assistant Director of Nursing - Total Payroll	\$ 2,640	\$ -	\$ 2,640
	Assistant Director of Nursing - Total Hours	80.0	-	80.0
6	Registered Nurses - Total Payroll	\$ 20,201	\$ 73	\$ 20,274
7	Registered Nurses - Total Hours	615.0	1.5	616.5
	Licensed Practical Nurses - Total Payroll	\$ -	\$ -	\$ -
	Licensed Practical Nurses - Total Hours	-	-	-
	Nurse Aides - Total Payroll	\$ -	\$ -	\$ -
	Nurse Aides - Total Hours	-	-	-
II-B All Remaining Nursing Staff				
6	Registered Nurses - Total Payroll	\$ 3,344	\$ 37	\$ 3,381
7	Registered Nurses - Total Hours	103.3	0.8	104.0
6	Licensed Practical Nurses - Total Payroll	\$ 18,214	\$ 30	\$ 18,244
7	Licensed Practical Nurses - Total Hours	655.5	0.8	656.3
6	Nurse Aides - Total Payroll	\$ 35,049	\$ 1,674	\$ 36,723
7	Nurse Aides - Total Hours	2,080.8	59.5	2,140.3

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 Courtland Manor (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

Courtland Manor
Schedule of Findings for the Fiscal Year Ended June 30, 2020

Findings and Responses

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

Condition: The Provider included non-allowable promotional advertising expense with reimbursable cost.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2136.2 requires the removal from allowable costs any costs incurred for advertising to the general public which seeks to increase patient utilization of the provider's facilities.

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

Effect: Management did not properly remove non-allowable expense 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 submit costs in accordance with appropriate regulations when completing the State of Delaware Medicaid Cost Report.

Management's Response: Management is aware of the finding. Based on the Title XIX Delaware Medicaid State Plan, Attachment 4.19D, rates have been frozen since December 31, 2008. To our knowledge the adjustments have no bearing on reimbursement.

Auditor's Response: Providers are required to submit cost reports in accordance with 42 Code of Federal Regulations [CFR] 447.253 and 483 Subpart B and Title XIX Delaware Medicaid State Plan, Attachment 4.19D.

Finding 20-02 Adjustment Number(s) Impacted: 2 and 3

Condition: The Provider improperly adjusted salary and benefits pertaining to the Director of Nursing, Assistant Director of Nursing, and Nurse Supervisors.

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. Director of Nursing and Assistant Director of Nursing salary and benefits are to be grouped to Line 1b and Line 2 respectively. Nurse Supervisors salary and benefits are to be grouped to Line 25 and Line 26 respectively.

Cause: Management's working trial balance account grouping to the cost report 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 primary cost center is overstated while the administrative and routine cost center is understated.

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 is aware of the finding. Based on the Title XIX Delaware Medicaid State Plan, Attachment 4.19D, rates have been frozen since December 31, 2008. To our knowledge the adjustments have no bearing on reimbursement.

Auditor's Response: Providers are required to submit cost reports in accordance with 42 Code of Federal Regulations [CFR] 447.253 and 483 Subpart B and Title XIX Delaware Medicaid State Plan, Attachment 4.19D.

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

Condition: The Provider grouped equipment rental expenditures 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. Equipment rental expenditures are to be grouped to the capital cost center.

Cause: Management's working trial balance account grouping to the cost report 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 secondary and support service cost center are overstated while the capital cost center is understated.

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 is aware of the finding. Based on the Title XIX Delaware Medicaid State Plan, Attachment 4.19D, rates have been frozen since December 31, 2008. To our knowledge the adjustments have no bearing on reimbursement.

Auditor's Response: Providers are required to submit cost reports in accordance with 42 Code of Federal Regulations [CFR] 447.253 and 483 Subpart B and Title XIX Delaware Medicaid State Plan, Attachment 4.19D.

Finding 20-04 **Adjustment Number(s) Impacted: 6 and 7**

- Condition: The Provider improperly recorded total pay and total hours for administrative registered nurses, non-administrative registered nurses, non-administrative licensed practical nurses, and non-administrative nurses aides on the nursing wage survey.
- Criteria: State of Delaware Department of Health and Social Services Division of Medicaid and Medical Assistance Instructions for Completion of Nursing Home: Nursing Wage Survey provides instructions by occupational group on the appropriate grouping of total pay and total hours. Total pay and total hours for administrative registered nurses are to be included in Section II.A.3. Total pay and total hours for non-administrative registered nurses, licensed practical nurses, and nurses aides are to be included in Section II.B.
- Cause: Shift differential overtime hours and regular pay recorded on the nursing wage survey did not align with the requirements in the nursing wage survey instructions.
- Effect: Management did not properly group total pay and total hours resulting in a compliance finding. The calculated total pay and total hours for administrative registered nurses, non-administrative registered nurses, non-administrative licensed practical nurses, and non-administrative nurses aides were understated on the nursing wage survey.
- Recommendation: Management should submit total pay and total hours on the nursing wage survey in accordance with the State of Delaware Department of Health and Social Services Division of Medicaid and Medical Assistance Instructions for Completion of Nursing Home: Nursing Wage Survey.
- Management's Response: Management is aware of the finding and suggests that the state modifies payroll columns on the Nursing Wage Survey to include shift differential overtime to relieve the facility of judgement of where this payroll amount should be placed.