



WILLOW BROOKE COURT AT MANOR HOUSE

EXAMINATION
FISCAL YEAR ENDED JUNE 30, 2020



WILLOW BROOKE COURT AT MANOR HOUSE

REPORT SUMMARY FOR FISCAL YEAR ENDED JUNE 30, 2020

BACKGROUND

An examination of WillowBrooke Court at Manor House 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 Willow Brooke Court at Manor House 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 than an **unqualified opinion*** was issued for this examination and WillowBrooke court at Manor House Long-Term Care Facility complied, in all material respects, with the criteria mentioned above. There were a total of five (5) findings issued including four adjustments and one comment to the Trial Balance, Patient Days, or Nursing Survey Report that are stated below:

1. The Provider included non-allowable personal patient use cable television and internet expense with reimbursable cost.
2. Fitness and pool membership expense was not properly stated because the Provider did not reduce expense by the associated income.
3. The Provider improperly recorded total pay and total hours for administrative registered nurses and non-administrative registered nurses and nurse aides on the nursing wage survey.
4. Verified patient days agreed in total but variances between Private Pay and Other payor types were noted.
5. The Provider did not properly calculate total patient days available on the cost report.

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

*Qualified Opinion - The auditor believes, on the basis of his or her audit, that the financial statements contain a departure from generally accepted accounting principles, the effect of which is material, and he or she has concluded not to express an adverse opinion.

The background of the cover is a blurred photograph of a medical professional in a white coat, with a green semi-transparent overlay. Various medical icons are scattered across the overlay, including a syringe, a pill, a stethoscope, a microscope, a person icon, and a group of three people icon. A large white cross is centered over the medical professional's chest. The text is positioned on a dark grey diagonal band on the right side of the cover.

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

INDEPENDENT ACCOUNTANT'S REPORT

**Examination of
WillowBrooke Court at Manor House**
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	4
■ Schedule of Adjustments to the Nursing Wage Survey	4
■ Resident Fund and General Commentary	5
■ Independent Accountant’s Report on Internal Control Over Financial Reporting.....	6
■ Schedule of Findings	8



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: WillowBrooke Court at Manor House
Period: Fiscal Year Ended June 30, 2020

We have examined management's assertions that WillowBrooke Court at Manor House (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

WillowBrooke Court at Manor House
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		\$ 2,789,598		
	Adjustments to Primary Patient Care Costs			
	None		\$ -	
Net Primary Patient Care Costs		\$ 2,789,598	\$ -	\$ 2,789,598
Primary Patient Care Cost Per Day (*)		\$ 151.4	\$ -	\$ 141.1
Secondary Patient Care Costs per Trial Balance of Costs		\$ 647,129		
	Adjustments to Secondary Patient Care Costs			
2	To recover Fitness/Pool Membership fees against expense		\$ (28,070)	
Net Secondary Patient Care Costs		\$ 647,129	\$ (28,070)	\$ 619,059
Secondary Patient Care Cost Per Day (*)		\$ 35.1	\$ (1.4)	\$ 31.3
Support Service Costs per Trial Balance of Costs		\$ 1,138,219		
	Adjustments to Support Service Costs			
	None		\$ -	
Net Support Service Costs		\$ 1,138,219	\$ -	\$ 1,138,219
Support Service Cost Per Day (*)		\$ 61.8	\$ -	\$ 57.6
Administrative & Routine Costs per Trial Balance of Costs		\$ 1,084,388		
	Adjustments to Administrative & Routine Costs			
1	To remove Cable TV/Internet expense based on adjustment submitted on the Medicare Cost Report		\$ (21,456)	
Net Administrative & Routine Costs		\$ 1,084,388	\$ (21,456)	\$ 1,062,932
Administrative & Routine Cost Per Day (*)		\$ 58.8	\$ (1.1)	\$ 53.8
Capital Costs per Trial Balance of Costs		\$ 485,133		
	Adjustments to Capital Costs			
	None		\$ -	
Net Capital Costs		\$ 485,133	\$ -	\$ 485,133
Net Capital Cost Per Day (*)		\$ 26.3	\$ -	\$ 24.5
Ancillary Costs per Trial Balance of Costs		\$ 878,665		
	Adjustments to Ancillary Costs			
	None		\$ -	
Net Ancillary Costs		\$ 878,665	\$ -	\$ 878,665
Ancillary Cost Per Day (*)		\$ 47.7	\$ -	\$ 44.5
Other Costs per Trial Balance of Costs		\$ 22,136		
	Adjustments to Other Costs			
	None		\$ -	
Net Other Costs		\$ 22,136	\$ -	\$ 22,136
Other Cost Per Day (*)		\$ 1.2	\$ -	\$ 1.1

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

WillowBrooke Court at Manor House 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				21,960
Medicaid Non-Super Skilled Patient Days		4,268		
	Adjustments to Medicaid Patient Days		-	
Medicaid Super Skilled Patient Days		-		
	Adjustments to Medicaid Super Skilled Patient Days		-	
Medicare Patient Days		1,348		
	Adjustments to Medicare Patient Days		-	
Private Pay Patient Days		12,812		
6	Adjustments to Private Pay Patient Days		(6)	
Medicare/Private Pay Hospice Patient Days		-		
	Adjustments to Medicare/Private Pay Hospice Patient Days		-	
Other Patient Days		-		
6	Adjustments to Other Patient Days		6	
Total Patient Days		18,428	-	18,428
Minimum Occupancy				19,764

WillowBrooke Court at Manor House 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	\$ 3,856	\$ -	\$ 3,856
	Director of Nursing - Total Hours	80.0	-	80.0
	Assistant Director of Nursing - Total Payroll	\$ 3,210	\$ -	\$ 3,210
	Assistant Director of Nursing - Total Hours	80.0	-	80.0
4	Registered Nurses - Total Payroll	\$ 3,556	\$ (1)	\$ 3,555
5	Registered Nurses - Total Hours	90.0	1.5	91.5
	Licensed Practical Nurses - Total Payroll	\$ -	\$ -	\$ -
	Licensed Practical Nurses - Total Hours	-	-	-
	Nurse Aides - Total Payroll	\$ -	\$ -	\$ -
	Nurse Aides - Total Hours	-	-	-
II-B All Remaining Nursing Staff				
4	Registered Nurses - Total Payroll	\$ 25,975	\$ 555	\$ 26,530
5	Registered Nurses - Total Hours	677.3	17.3	694.6
	Licensed Practical Nurses - Total Payroll	\$ 16,516	\$ -	\$ 16,516
	Licensed Practical Nurses - Total Hours	533.1	-	533.1
4	Nurse Aides - Total Payroll	\$ 37,062	\$ 856	\$ 37,918
5	Nurse Aides - Total Hours	1,874.3	54.5	1,928.8

Commentary

1) The Provider calculated bed days available based on 365 days instead of the leap year of 366 days.



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 WillowBrooke Court at Manor House (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

WillowBrooke Court at Manor House
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 personal patient use cable television and internet expense with reimbursable cost.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2106.1 requires the removal from allowable costs any costs of items or services such as telephone, television, and radio which are located in patient accommodations and which are furnished solely for the personal comfort of the patients.

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 expenses in accordance with appropriate regulations when completing the State of Delaware Medicaid Cost Report.

Management's Response: Management agrees with the finding.

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

Condition: Fitness and pool membership expense was not properly stated because the Provider did not reduce expense by the associated income.

Criteria: Provider Reimbursement Manual 15-1, Chapter 23, Section 2302.5 requires transactions that generate income to be offset to reduce the applicable expense.

Cause: Management did not properly recover income against fitness and pool membership expense.

Effect: Management did not properly recover revenue accounts resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the secondary cost center is overstated.

Recommendation: Management should review Working Trial Balance revenue account descriptions and recover income against the associated expense, when appropriate.

Management's Response: Management agrees with the finding.

Finding 20-03 Adjustment Number(s) Impacted: 3 and 4

Condition: The Provider improperly recorded total pay and total hours for administrative registered nurses and non-administrative registered nurses and nurse 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 and nurse aides are to be included in Section II.B.

Cause: Total pay and total hours recorded on the nursing wage survey did not match 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 and non-administrative registered nurses and nurse aides, in the aggregate, 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 did not provide a response.

Finding 20-04 **Adjustment Number(s) Impacted: 5**

Condition: Verified patient days agreed in total but variances between Private Pay and Other payor types 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 5G should reflect Private Pay patient days and Line 5I should reflect Other patient days that do not fit on another line.

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 20-05 **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 cost report prior to submission.

Management's Response: Management agrees with the finding. While the calculation is incorrect, the calculation is prepopulated on the Excel spreadsheet provided by the state. Management does check all of their own formulas, but does not check every formula that was prepopulated by the state.