

FISCAL YEAR ENDED JUNE 30, 2021

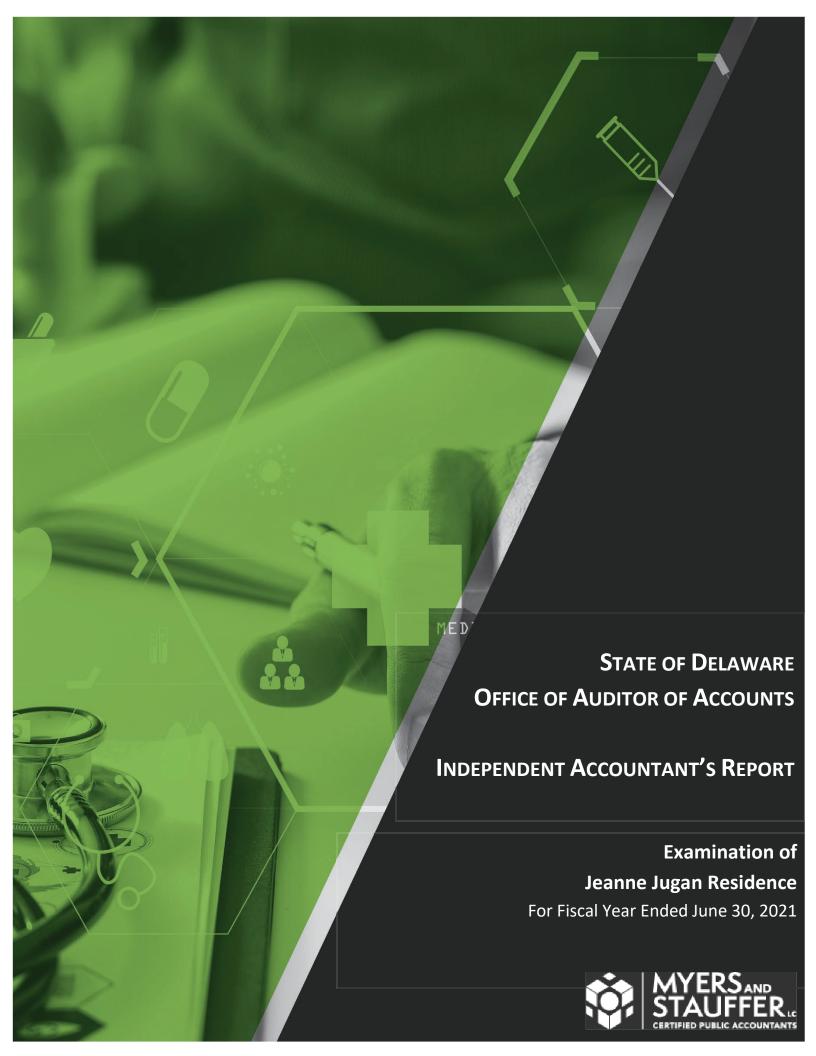


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Independent Accountant's Report

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: Jeanne Jugan Residence

Period: Fiscal Year Ended June 30, 2021

We have examined management's assertions that Jeanne Jugan Residence (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, 2021. 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 March 25, 2025 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 March 25, 2025

	Jeanne Jugan Residence						
	Schedule of Adjustments to the Trial Balance for the Fiscal Yea	ır Ende	d June 30, 202	21			
Type of Cost	Description		Reported Amounts	4	Adjustment Amounts		Adjusted Amounts
Expenses							
Primary Patient C	are Costs per Trial Balance of Costs	\$	1,818,555				
	Adjustments to Primary Patient Care Costs						
2	To reclassify PT salaries to the appropriate cost center			\$	(19,600)		
5	To adjust to remove undocumented expense			\$	(3,200)		
13	To adjust the allocation of employee benefits to reflect verified salaries and benefits			Ś	(10,141)		
Net Primary Patie		\$	1,818,555	Ś	(32,941)	Ś	1,785,61
	are Cost Per Day (*)	\$	186.8	-	(2.5)		135.
,		1		Ť	(===)	_	
Secondary Patien	t Care Costs per Trial Balance of Costs	\$	237,964				
	Adjustments to Secondary Patient Care Costs	1					
1	To reclassify ancillary expense to the appropriate cost center			\$	(671)		
3	To adjust to remove the offset of Sister Services expenses and reclassify to the appropriate cost center			\$	(25,980)		
5	To adjust to remove undocumented expense			Ś	(5,184)		
7	To adjust to remove non-allowable donation expense			\$	(960)		
13	To adjust the allocation of employee benefits to reflect verified salaries and benefits			\$	(317)		
14	To adjust to reflect the verified nursing home allocation			\$	5,989		
Net Secondary Pa		\$	237,964	\$	(27,123)	¢	210,84
	t Care Cost Per Day (*)	\$	24.4	-	(2.1)		16.
secondary ratien	t cale cost Fel Day ()	۶	24.4	ş	(2.1)	ş	10.
Sunnort Service (osts per Trial Balance of Costs	Ś	1,280,034				
oupport oct title c	Adjustments to Support Service Costs	y	1,200,034				
3	To adjust to remove the offset of Sister Services expenses and reclassify to the appropriate cost center			\$	311.375		
4	To adjust to add back allowable Sister Services expense removed by the provider			\$	29,958		
5	To adjust to remove undocumented expense			\$	(3,745)		
7	To adjust to remove undocumented expense To adjust to remove non-allowable donation expense			\$	(380)		
13	To adjust the allocation of employee benefits to reflect verified salaries and benefits			Ś	19.123		
14				\$	(193,932)		
Net Support Serv	To adjust to reflect the verified nursing home allocation	\$	1,280,034	\$	162,399	ć	1,442,43
Support Service (Ś	1,280,034	-	12.4		1,442,43
support service C	ost Pei Day (*)	Þ	131.5	Þ	12.4	Þ	109.
Administrativo 9	Routine Costs per Trial Balance of Costs	\$	1,124,407				
Administrative &	Adjustments to Administrative & Routine Costs	Ş	1,124,407				
	·				(205 205)		
3	To adjust to remove the offset of Sister Services expenses and reclassify to the appropriate cost center			\$	(285,395)		
5	To adjust to remove undocumented expense			\$	(4,795)		
6	To reclassify rental expense to the appropriate cost center			\$	(9,955)		
7	To adjust to remove non-allowable donation expense			\$	(10,511)		
8	To adjust insurance expense to the verified amount			\$	(25,345)		
9	To reclassify property insurance to the appropriate cost center			\$	(23,339)		
10	To adjust to remove non-allowable insurance expense			\$	(2,324)		
11	To adjust to remove expenses incurred outside the cost report period			\$	(8,896)		
12	To adjust to remove benefits expense and include in the employee benefits allocation			\$	(8,150)		
13	To adjust the allocation of employee benefits to reflect verified salaries and benefits			\$	(4,261)		
14	To adjust to reflect the verified nursing home allocation			\$	15,067		
	e & Routine Costs	\$	1,124,407	\$	(367,904)		756,50
Administrative &	Routine Cost Per Day (*)	\$	115.5	\$	(28.0)	\$	57.

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

	Jeanne Jugan Residence Schedule of Adjustments to the Trial Balance for the F		d June 30, 202	21					
Type of Cost	Description	Reported Amounts				· ·		Adjusted Amounts	
Expenses									
Capital Costs per	Trial Balance of Costs	\$	444,901						
	Adjustments to Capital Costs								
6	To reclassify rental expense to the appropriate cost center			\$ 9,955					
9	To reclassify property insurance to the appropriate cost center			\$ 23,339					
Net Capital Costs		\$	444,901	\$ 33,294	\$	478,195			
Net Capital Cost F	Per Day (*)	\$	45.7	\$ 2.5	\$	36.4			
Ancillary Costs no	r Trial Balance of Costs	Ś	26.221						
Ancinal y costs pe	Adjustments to Ancillary Costs	3	20,221						
1	To reclassify ancillary expense to the appropriate cost center			\$ 671					
2	To reclassify PT salaries to the appropriate cost center			\$ 19.600					
7	To adjust to remove non-allowable donation expense			\$ (300)					
13	To adjust the allocation of employee benefits to reflect verified salaries and benefits			\$ 3,745					
Net Ancillary Cost	· /	\$	26,221	\$ 23,716	5	49,937			
Ancillary Cost Per		\$	-	\$ 1.8		3.8			
Other Costs per Trial Balance of Costs		\$	16						
	Adjustments to Other Costs								
	None			\$ -					
Net Other Costs		\$	16	\$ -	\$	16			
Other Cost Per D	ay (*)	\$	0.0	\$ -	\$	0.0			

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

Jeanne Jugan Residence Schedule of Adjustments to Patient Days for the Fiscal Year Ended June 30, 2021							
Census Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts			
Census							
Bed days available				14,60			
Medicaid Non-Supe	r Skilled Patient Days	7,983					
	Adjustments to Medicaid Patient Days		91				
Medicaid Super Ski	lled Patient Days	-					
	Adjustments to Medicaid Super Skilled Patient Days		-				
Medicare Patient D	ays	-					
	Adjustments to Medicare Patient Days		-				
Private Pay Patient Days		1,754					
	Adjustments to Private Pay Patient Days		(161)				
Medicare/Private P	ay Hospice Patient Days	-					
	Adjustments to Medicare/Private Pay Hospice Patient Days		-				
Other Patient Days		-					
	Adjustments to Other Patient Days		-				
Total Patient Days		9,737	(70)	9,66			
Minimum Occupan	су			13,14			

Jeanne Jugan Residence								
Schedule of Adjustments to the Nursing Wage Survey for the Fiscal Year Ended June 30, 2021								
Nurse Type	Description		Reported Amounts	Adjustment Amounts	t Adjusted Amounts			
Nursing Wage Su	rvey							
II-A Administrati	ve Nurses							
	Director of Nursing - Number Paid		1	-				
	Director of Nursing - Total Payroll	\$	3,842	\$ -	\$ 3,84			
	Director of Nursing - Total Hours		80.0	-	80.			
	Assistant Director of Nursing - Number Paid		1	-				
	Assistant Director of Nursing - Total Payroll	\$	3,011	\$ -	\$ 3,01			
	Assistant Director of Nursing - Total Hours		80.3	0.8	81.			
	Registered Nurses - Number Paid		4	-				
	Registered Nurses - Total Payroll	\$	10,439	\$ -	\$ 10,43			
	Registered Nurses - Total Hours		286.1	3.7	289.			
	Licensed Practical Nurses - Number Paid		-	-	-			
	Licensed Practical Nurses - Total Payroll	\$	-	\$ -	\$ -			
	Licensed Practical Nurses - Total Hours		-	-	-			
	Nurse Aides - Number Paid		-	-	-			
	Nurse Aides - Total Payroll	\$	-	\$ -	\$ -			
	Nurse Aides - Total Hours		-	-	-			
II-B All Remainin	g Nursing Staff							
	Registered Nurses - Number Paid		9	\$ -				
	Registered Nurses - Total Payroll	\$	15,867	\$ -	\$ 15,86			
	Registered Nurses - Total Hours		458.0	11.9	469.			
	Licensed Practical Nurses - Number Paid		9	-				
	Licensed Practical Nurses - Total Payroll	\$	13,380	\$ -	\$ 13,38			
	Licensed Practical Nurses - Total Hours		427.4	41.3	468.			
	Nurse Aides - Number Paid		25	1	2			
	Nurse Aides - Total Payroll	\$	20,978	\$ 839	\$ 21,81			
	Nurse Aides - Total Hours		1,305.8	63.2	1,369.			

Jeanne Jugan Residence Resident Fund and General Commentary for the Fiscal Year Ended June 30, 2021

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 Jeanne Jugan Residence (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, 2021, and have issued our report thereon dated March 25, 2025. 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 instances of noncompliance detailed on the schedule of findings that warrant the attention of those charged with governance. These findings do not materially impact the Provider's assertion and are not 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

Myers and Stauffer LC Owings Mills, Maryland March 25, 2025

Jeanne Jugan Residence Schedule of Findings for the Fiscal Year Ended June 30, 2021

Findings and Responses

Finding 21-01 Adjustment Number(s) Impacted: 1, 2, 3, 4, 6, and 9

The provider grouped ancillary expenditures, sister services, rental expenditures, and property insurance to improper Cost Centers. Condition:

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

centers, respectively, while rental expenditures and property insurance are to be grouped to the capital cost center.

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

Management did not properly group expense, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the support service,

capital, and ancillary cost centers are understated, while the primary, secondary, and administrative and routine cost centers are 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 will adhere to the recommendation for Medicaid cost reporting purposes.

Finding 21-02 Adjustment Number(s) Impacted: 5 and 7

Condition: The provider included non-allowable donation expense and undocumented expense with reimbursable cost.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2102.4 requires that the donation of produce, supplies, the use of space owned by another organization, etc., may

not be included in allowable costs.

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

Effect: Management did not properly address non-allowable expense and did not provide supporting documentation, resulting in a compliance finding. The calculated reimbursement

rate submitted on the cost report for the primary, secondary, support service, administrative and routine, and ancillary cost centers are overstated.

Management should submit expenses on the Medicaid cost report in accordance with appropriate regulations when completing the State of Delaware Medicaid Cost Report Recommendation:

and ensure that internal control policies over record retention are followed to comply with the five year record retention requirement

Management's Response:

Management will adhere to the recommendation for Medicaid cost reporting purposes.

Finding 21-03 Adjustment Number(s) Impacted: 8 and 11

Condition: The provider included insurance expense and a prior period adjusting journal entry incurred outside of the cost report period with reimbursable cost.

Provider Reimbursement Manual 15-1, Chapter 23, Section 2302.1 requires that, under the accrual basis of accounting, expenditures for expense and asset items are recorded Criteria:

in the period in which they are incurred, regardless of when they are paid.

A cost report adjustment was not proposed to properly reflect insurance premiums paid during the cost report period and an adjusting journal entry for the prior cost report Cause:

period was submitted with reimbursable costs on the State of Delaware Medicaid Cost Report.

Effect: Management did not properly adjust for expenses incurred outside of the cost report period, resulting in a compliance finding. The calculated reimbursement rate submitted

on the cost report for the administrative cost center is overstated.

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

Management's

Management will adhere to the recommendation for Medicaid cost reporting purposes.

Finding 21-04 Adjustment Number(s) Impacted: 10

Condition: The provider included non-allowable non-nursing services insurance expense with reimbursable cost.

Criteria: The 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 expenses. Non-nursing expenditures are to be removed from reimbursable costs.

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 remove expense, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the administrative and

Management should remove expenses on the Medicaid cost report in accordance with the State of Delaware Department of Health and Social Services, Division of Medicaid Recommendation:

and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities.

Management's Response:

Management will adhere to the recommendation for Medicaid cost reporting purposes.

Finding 21-05 Adjustment Number(s) Impacted: 12 and 13

Condition: The provider improperly allocated employee benefits expense on the cost report.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2144.7 states that some accounting systems are not designed to accumulate, on a departmentalized or cost center

basis, the various employee fringe benefits incurred by the providers. Such providers may accumulate fringe benefits for all employees in one account during the cost

reporting period and allocate fringe benefits to the appropriate cost centers.

Cause: The provider did not include all benefits expense and did not consider salary reclassifications when calculating the employee benefits allocation.

Effect: Management did not properly allocate fringe benefits expenses, resulting in a compliance finding. The calculated reimbursement rates submitted on the cost report for the

primary, secondary, and administrative and routine cost centers are overstated, while the support service and ancillary cost centers are understated.

Recommendation: Management should utilize the most current and accurate documentation when allocating fringe benefits expense on the State of Delaware Medicaid Cost Report.

Management's Response:

Management will adhere to the recommendation for Medicaid cost reporting purposes.

Finding 21-06 Schedule of Adjustments to Patient Days

Condition: Verified patient days do not match the total submitted cost report days. Classification variances between Medicaid and Private Pay were noted

The State of Delaware Department of Health and Social Services, Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities Criteria:

provides descriptions, by census line, on the appropriate classification of patient days. Line 5A should reflect total Medicaid Non-Super Skilled patient days and Line 5G should

reflect total Private Pay 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 report total patient days and 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 will adhere to the recommendation for Medicaid cost reporting purposes.

Finding 21-07 Schedule of Adjustments to the Nursing Wage Survey

Condition: The provider improperly recorded total hours for the administrative assistant director of nursing, total hours for administrative registered nurses, total hours for non-

administrative registered nurses, total hours for non-administrative licensed practical nurses, and total number of staff, total pay, and total hours for non-administrative nurse

aides on the nursing wage survey.

Criteria: 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 provides instructions by occupational group on the appropriate grouping of total number of staff, total pay, and total hours. Total hours for the administrative assistant director of nursing are to be included in Section II.A.2. Total hours for administrative registered nurses are to be included in Section II.A.3. Total number of staff,

total pay, and total hours for non-administrative registered nurses, licensed practical nurses, and nurse aides are to be included in Section II.B.

Cause: Total number of staff, total pay, and total hours 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 number of staff, total pay, and total hours, resulting in a compliance finding. The calculated total hours for the administrative

assistant director of nursing, total hours for administrative registered nurses, total hours for non-administrative registered nurses, total hours for non-administrative licensed

practical nurses, and total number of staff, total pay, and total hours for non-administrative nurse aides were understated on the nursing wage survey.

Management should submit total number of staff, 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.

Response:

Recommendation:

Management will adhere to the recommendation for Medicaid cost reporting purposes. Management's