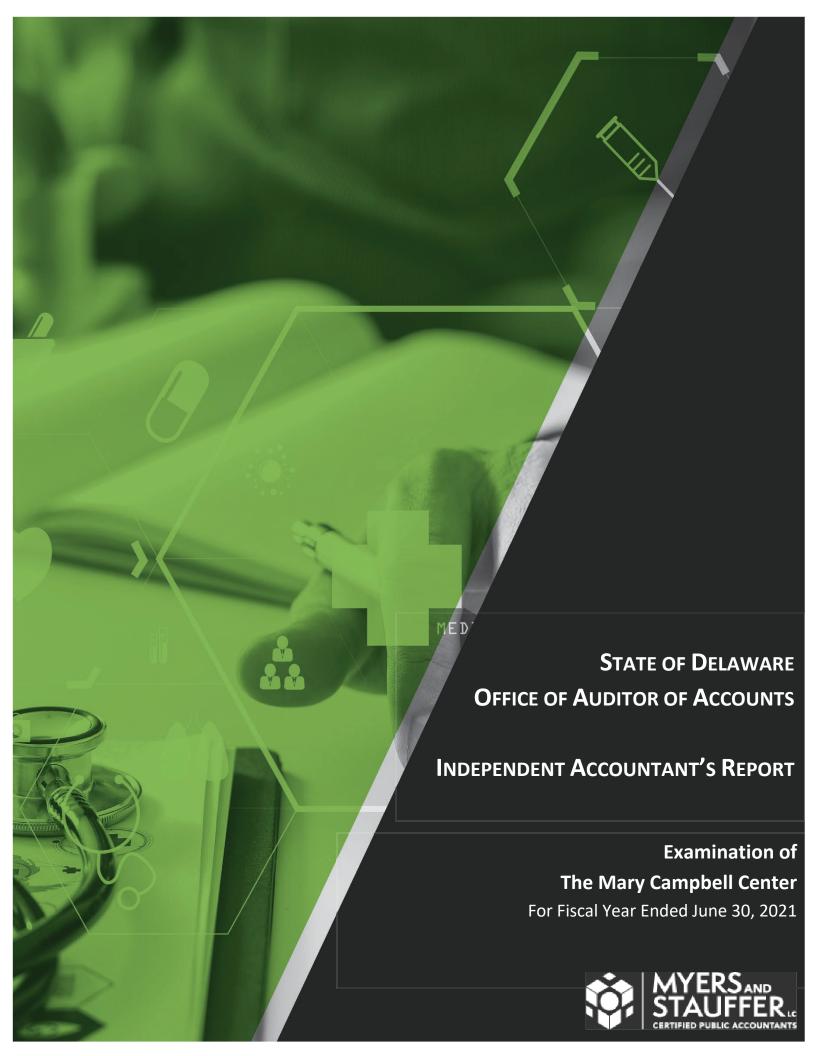


EXAMINATION
FISCAL YEAR ENDED JUNE 30, 2021



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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: The Mary Campbell Center Period: Fiscal Year Ended June 30, 2021

We have examined management's assertions that The Mary Campbell Center (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 Owings Mills, Maryland

Myers and Stauffer LC

March 25, 2025

	The Mary Campbell Co Schedule of Adjustments to the Trial Balance for tl		r Endad Juna	20 2021	
Type of Cost	Reported  Description  Amounts		Reported	Adjustment Amounts	Adjusted Amounts
Expenses					
Primary Patient Ca	are Costs per Trial Balance of Costs	\$	6,908,117		
	Adjustments to Primary Patient Care Costs				
8	To remove non-allowable nurse aide training			\$ (5,042)	
Net Primary Patie	nt Care Costs	\$	6,908,117	\$ (5,042)	\$ 6,903,075
Primary Patient Ca	are Cost Per Day (*)	\$	278.5	\$ (0.2)	\$ 278.3
Secondary Patient	Care Costs per Trial Balance of Costs	Ś	1,127,336		
occomunity i determ	Adjustments to Secondary Patient Care Costs	7	1,127,550		
1	To remove non-allowable dental and vision expense			\$ (37,450)	
Net Secondary Patient Care Costs		\$	1,127,336		
Secondary Patient Care Cost Per Day (*)		\$	45.4		
Support Service Co	osts per Trial Balance of Costs	\$	3,433,872		
	Adjustments to Support Service Costs				
2	To remove capital expense and to allow the applicable depreciation expense			\$ (8,990)	
3	To allocate additional expense related to community programs			\$ (3,218)	
6	To remove capital asset acquisition cost			\$ (17,739)	
Net Support Service Costs			3,433,872	\$ (29,947)	\$ 3,403,925
Support Service Cost Per Day (*)		\$	138.4	\$ (1.2)	\$ 137.2
		1.			
Administrative & F	Routine Costs per Trial Balance of Costs	\$	2,631,208		
	Adjustments to Administrative & Routine Costs				
5	To remove non-allowable telephone expense related to patient use			\$ (2,246)	
7	To remove purchase discounts that do not qualify as a donation	\$		\$ (47,150)	
Net Administrative & Routine Costs			2,631,208		
Administrative & F	Routine Cost Per Day (*)	\$	106.1	\$ (2.0)	\$ 104.1

<sup>(\*)</sup> Adjusted Cost Per Day is calculated utilizing actual patient days.

	Schedule of Adjustments to the Trial Balance for th	C		,,	
Type of Cost	Description		Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses					
Capital Costs per	Trial Balance of Costs	\$	710,798		
	Adjustments to Capital Costs				
2	To remove capital expense and to allow the applicable depreciation expense			\$ 200	
3	To allocate additional expense related to community programs			\$ (2,139)	
4	To remove capital lease expenses			\$ (18,270)	
Net Capital Costs			710,798	\$ (20,209)	\$ 690,589
Net Capital Cost	Per Day (*)	\$	28.7	\$ (0.9)	\$ 27.8
Ancillary Costs per Trial Balance of Costs		\$	598,176		
	Adjustments to Ancillary Costs				
	None			\$ -	
Net Ancillary Costs		\$	598,176	\$ -	\$ 598,170
Ancillary Cost Per Day (*)		\$	24.1	\$ -	\$ 24.3
Other Costs per	Trial Balance of Costs	\$	-		
	Adjustments to Other Costs				
	None			\$ -	
Net Other Costs		\$	-	\$ -	\$ -
Other Cost Per Day (*)		\$	_	\$ -	\$ -

<sup>(\*)</sup> Adjusted Cost Per Day is calculated utilizing actual patient days.

		Reported	Adjustment	Adjusted
Census Type	Description	Amounts	Amounts	Amounts
Census				
Bed days available				25,55
Medicaid Non-Super	Skilled Patient Days	23,709		
	Adjustments to Medicaid Patient Days			
Medicaid Super Skille	ed Patient Days			
	Adjustments to Medicaid Super Skilled Patient Days		-	
Medicare Patient Da	ys	-		
	Adjustments to Medicare Patient Days			
Private Pay Patient Days		1,095		
	Adjustments to Private Pay Patient Days			
Medicare/Private Pa	y Hospice Patient Days	-		
	Adjustments to Medicare/Private Pay Hospice Patient Days			
Other Patient Days				
	Adjustments to Other Patient Days			
Total Patient Days		24,804	-	24,80
Minimum Occupancy	Minimum Occupancy			22,99

The Mary Campbell Center					
Nurse Type	Schedule of Adjustments to the Nursing Wage Survey for the Fiscal Year Ende Reported Description Amounts		rted	Adjustment Amounts	Adjusted Amounts
Nursing Wage Su	ırvey (**)				
-A Administrat	ive Nurses				
	Director of Nursing - Number Paid		-	-	
	Director of Nursing - Total Payroll	\$	-	\$ -	\$
	Director of Nursing - Total Hours		-	-	
	Assistant Director of Nursing - Number Paid		-	-	
	Assistant Director of Nursing - Total Payroll	\$	-	\$ -	\$
	Assistant Director of Nursing - Total Hours		-	-	
	Registered Nurses - Number Paid		-	-	
	Registered Nurses - Total Payroll	\$	-	\$ -	\$
	Registered Nurses - Total Hours		-	-	
	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		-	-	
B All Remainin	ng Nursing Staff				
	Registered Nurses - Number Paid		-	\$ -	
	Registered Nurses - Total Payroll	\$	-	\$ -	\$
	Registered Nurses - Total Hours		-	-	
	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		-	-	

<sup>(\*\*)</sup> The Mary Campbell Center was identified by DHSS as not being required to submit a nursing wage survey.

## The Mary Campbell Center 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 The Mary Campbell Center (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 Owings Mills, Maryland

Myers and Stauffer LC

March 25, 2025

#### The Mary Campbell Center Schedule of Findings for the Fiscal Year Ended June 30, 2021

**Findings and Responses** 

Finding 21-01 Adjustment Number(s) Impacted: 1, 5, and 8

Condition: The provider included non-allowable dental and vision expense, personal patient use telephone expense, and certified nurse aide training and certification expense

Criteria: Delaware State Plan Attachment 4.19-D. Section II. C. Excluded Services requires the removal of routine eye and dental care from allowable costs.

Provider Reimbursement Manual 15-1, Chapter 21, Section 2106.1 requires the removal from allowable costs any items or services, such as telephone, television,

and radio, located in patient accommodations and furnished solely for the personal comfort of the patients.

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 expense. Nurse aide training and certification expenditures should be removed

from the cost report.

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

Effect: Management did not properly address non-allowable expense, 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.

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

Management's Response:

Management has reviewed the finding and will adhere to the recommendations.

Finding 21-02 Adjustment Number(s) Impacted: 2, 4, and 6

Condition: The provider included leased assets as expense and capital assets in the support service and capital cost centers.

Criteria: Provider Reimbursement Manual 15-1, Chapter 1, Section 104.1 states that assets which a provider is using under a regular lease arrangement would not be subject

to depreciation by the provider.

Provider Reimbursement Manual 15-1, Chapter 1, Section 108.1 states that if a depreciable asset, at the time of its acquisition, has an estimated useful life of at least 2 years and a historical cost of at least \$5,000, its cost must be capitalized and written off ratably over the estimated useful life of the asset using an approved

method of depreciation.

Provider Reimbursement Manual 15-1, Chapter 1, Section 108.2 states that betterments and improvements extend the life, increase the productivity, or significantly

improve the safety of an asset as opposed to repairs and maintenance which either restore the asset to, or maintain it at, its normal or expected service life.

Management included leased and capital assets as expense and asset acquisition cost and the applicable deprecation expense for the asset on the Medicaid cost Cause:

report.

Effect: Management included leased assets as expense, did not remove asset addition acquisition cost, and did not capitalize assets in accordance with its capitalization

policy, resulting in a compliance finding. The calculated reimbursement rates submitted on the cost report for the support service and capital cost centers are

overstated.

Recommendation: Management should remove leased assets from expense, exclude asset addition acquisition cost from the Medicaid cost report, and capitalize assets and calculate

depreciation in accordance with the minimum requirements of PRM 15-1, Chapter 1, Section 104.1, 108.1, and 108.2.

Management's Response:

Management has reviewed the finding and will adhere to the recommendations.

Adjustment Number(s) Impacted: 3 Finding 21-03

Condition: The provider was unable to determine the applicable allocation basis for community costs to carve out indirect expense.

Provider Reimbursement Manual 15-1, Chapter 23, Section 2304 requires cost information be current, accurate, and in sufficient detail to support payments made Criteria:

for services rendered to beneficiaries. Financial and statistical records should be maintained consistently from one period to another.

Management was unable to support the 1.5% carve out of indirect expense related to community costs. Cause.

Effect: Management did not appropriately allocate indirect expense, resulting in a compliance finding. The calculated reimbursement rates for the support service and

capital cost centers are overstated.

Management should ensure that sufficient detail to support allocations is appropriately documented in accordance with the requirements of PRM 15-1, Chapter 23, Recommendation:

Section 2304.

Management's Response:

Management has reviewed the finding and will adhere to the recommendations.

Finding 21-04 Adjustment Number(s) Impacted: 7

Condition: Accounting expenses were not properly stated due to the inclusion of vendor discounts.

Criteria: Provider Reimbursement Manual 15-1, Chapter 8, Section 806 states that Medicare considers payments to a provider by its vendor as discounts, refunds, or rebates

in determining allowable costs under the program even though these payments may be treated as contributions or unrestricted grants by the provider and the vendor. However, such payments may represent a true donation or grant when they are in addition to discounts, refunds, or rebates which have been customarily

allowed under arrangements between the provider and the vendor.

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 cost.

Cause: Management's vendor provided a discount as a reduction of the Provider's total billing costs.

Effect: Management included vendor discounts, 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 has reviewed the finding and will adhere to the recommendations.