

EXAMINATION
FISCAL YEAR ENDED JUNE 30, 2021

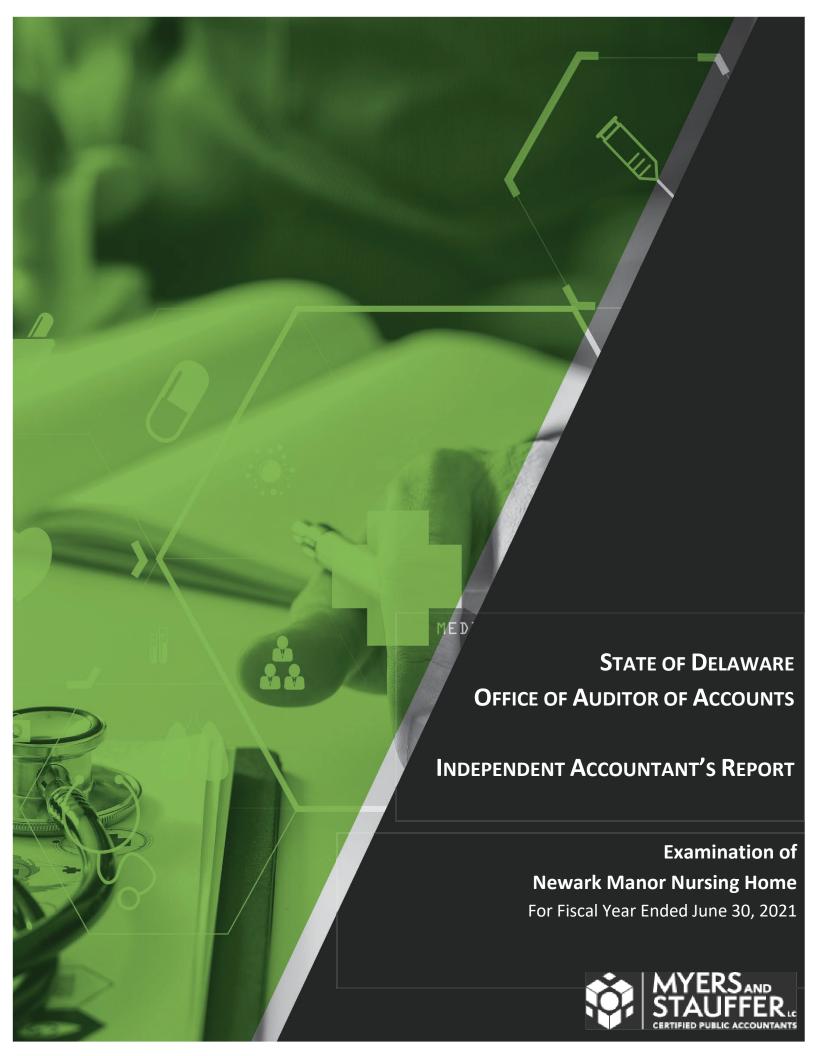


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Independent Accountant's Report

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: **Newark Manor Nursing Home** Period: Fiscal Year Ended June 30, 2021

We have examined management's assertions that Newark Manor Nursing Home (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

	Newark Manor Nursing H		5.1.11	20 2004				
Type of Cost	Schedule of Adjustments to the Trial Balance for the Description		Fiscal Year Ended June 3 Reported Amounts		Adjustment Amounts		Adjusted Amounts	
Expenses								
Primary Patient C	are Costs per Trial Balance of Costs	\$	2,330,090					
	Adjustments to Primary Patient Care Costs							
9	To adjust the employee benefits allocation based on verified benefits			\$	7,683			
Net Primary Patie	nt Care Costs	\$	2,330,090	\$	7,683	\$	2,337,77	
Primary Patient C	are Cost Per Day (*)	\$	121.4	\$	0.3	\$	106.	
Secondary Patient Care Costs per Trial Balance of Costs			301,638					
	Adjustments to Secondary Patient Care Costs							
1	To reclassify beauty and barber expense to the appropriate cost center			\$	(752)			
10	To remove non-allowable routine foot care			\$	(6,538)			
11	To reclassify Rx drugs and other ancillary expense to the appropriate cost center			\$	(26,501)			
Net Secondary Pa	tient Care Costs	\$	301,638	\$	(33,791)	\$	267,84	
Secondary Patient Care Cost Per Day (*)			15.7	\$	(1.5)	\$	12.	
Support Service Co	osts per Trial Balance of Costs	\$	842,387					
	Adjustments to Support Service Costs							
1	To reclassify beauty and barber expense to the appropriate cost center			\$	(3,961)			
2	To remove non-allowable related party expense			\$	(2,822)			
3	To remove capital expense and to allow the applicable depreciation expense			\$	(37,865)			
9	To adjust the employee benefits allocation based on verified benefits			\$	2,052			
Net Support Servi	ce Costs	\$	842,387	\$	(42,596)	\$	799,79	
Support Service Co	ost Per Day (*)	\$	43.9	\$	(1.9)	\$	36.	
Administrative &	Routine Costs per Trial Balance of Costs	\$	999,694					
	Adjustments to Administrative & Routine Costs							
2	To remove non-allowable related party expense			\$	(666)			
7	To add back administrator payroll tax expense			\$	9,065			
8	To adjust the submitted marketing offset to reflect the verified amount			\$	142,460			
9	To adjust the employee benefits allocation based on verified benefits			\$	(9,735)			
12	To adjust insurance expense to reflect verified amounts			\$	35,467			
13	To remove capital expense and to allow the applicable depreciation expense			\$	(2,457)			
14	To remove management fees and replace with home office pass down cost			\$	(197,336)			
Net Administrative & Routine Costs			999,694	\$	(23,202)	\$	976,49	
Administrative &	Routine Cost Per Day (*)	\$	52.1	Ś	(1.1)	Ś	44.	

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

	Newark Manor Nursing F Schedule of Adjustments to the Trial Balance for the		ar Ended June	30, 2021					
Type of Cost	Description	Reported Amounts		Adjustment Amounts	Adjusted Amounts				
Expenses									
Capital Costs per Trial Balance of Costs		\$	122,763						
	Adjustments to Capital Costs								
2 and 5	To remove non-allowable related party expense			\$ (29,116)					
3	To remove capital expense and to allow the applicable depreciation expense			\$ 1,065					
4	To adjust depreciation expense to reflect verified amounts			\$ 65,988					
6	To remove additional interest income to the extent of interest expense			\$ (7,470)					
13	To remove capital expense and to allow the applicable depreciation expense			\$ 61					
14	To remove management fees and replace with home office pass down cost			\$ 1,580					
Net Capital Costs			122,763	\$ 32,108	\$ 154,87				
Net Capital Cost P	er Day (*)	\$	6.4	\$ 1.5	\$ 7.				
Ancillary Costs pe	r Trial Balance of Costs	\$	-						
	Adjustments to Ancillary Costs								
11	To reclassify Rx drugs and other ancillary expense to the appropriate cost center			\$ 26,501					
Net Ancillary Cost		\$	-	\$ 26,501	-				
Ancillary Cost Per	Day (*)	\$		\$ 1.2	\$ 1.				
Other Costs per Trial Balance of Costs		\$							
•/-	Adjustments to Other Costs								
1	To reclassify beauty and barber expense to the appropriate cost center			\$ 4,713					
Net Other Costs			-	\$ 4,713	\$ 4,71				
Other Cost Per Day (*)				\$ 0.2	\$ 0				

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

	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				24,45					
Medicaid Non-Super	Skilled Patient Days	16,861							
	Adjustments to Medicaid Patient Days		184						
Medicaid Super Skille	d Patient Days								
	Adjustments to Medicaid Super Skilled Patient Days		-						
Medicare Patient Da	ys	-							
	Adjustments to Medicare Patient Days		-						
Private Pay Patient D	Days	2,328							
	Adjustments to Private Pay Patient Days		(28)						
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		19,189	156	19,34					
Minimum Occupancy				22,01					

Schedule of Adjustments to the Nursing Wage Survey for the Fiscal Year Ended June 30, 2021									
Nurse Type	Description		Reported Amounts	Adjustment Amounts	Adjusted Amounts				
Nursing Wage Survey									
II-A Administra	tive Nurses								
	Director of Nursing - Number Paid		1	-					
	Director of Nursing - Total Payroll	\$	2,800	\$ 208	\$ 3,00				
	Director of Nursing - Total Hours		80.0	-	80				
	Assistant Director of Nursing - Number Paid		1	-					
	Assistant Director of Nursing - Total Payroll	\$	963	\$ 1,837	\$ 2,80				
	Assistant Director of Nursing - Total Hours		32.0	48.0	80				
	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		-	-	-				
II-B All Remaini	ng Nursing Staff								
	Registered Nurses - Number Paid		9	\$ 1	1				
	Registered Nurses - Total Payroll	\$	20,005	\$ 988	\$ 20,99				
	Registered Nurses - Total Hours		611.6	30.0	641				
	Licensed Practical Nurses - Number Paid		18	-	1				
	Licensed Practical Nurses - Total Payroll	\$	38,967	\$ -	\$ 38,96				
	Licensed Practical Nurses - Total Hours		1,444.2	-	1,444				
	Nurse Aides - Number Paid		23	1	2				
	Nurse Aides - Total Payroll	\$	22,778	\$ 794	\$ 23,57				
	Nurse Aides - Total Hours		611.6	785.0	1,396				

Newark Manor Nursing Home 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 Newark Manor Nursing Home (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

Newark Manor Nursing Home Schedule of Findings for the Fiscal Year Ended June 30, 2021

Findings and Responses

Adjustment Number(s) Impacted: 1 and 11 Finding 21-01

Condition: The provider grouped beauty and barber and ancillary expenditures to improper cost centers.

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 cost center line, on the appropriate grouping of expense. Beauty and barber and ancillary expenditures are to be grouped to the other and

ancillary cost centers, respectively.

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

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

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

Management should submit expenses on the Medicaid cost report in accordance with account groupings identified in the State of Delaware Department of Health Recommendation:

and Social Services, Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities.

Management's Management will provide details of these expenses to our cost report preparer going forward to be sure they have the data necessary to correctly classify

Response: expenses.

Finding 21-02 Adjustment Number(s) Impacted: 2 and 5

Condition: The provider included non-allowable related party house utilities, real estate taxes, insurance, and lease expense with reimbursable cost.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2102.3 states that costs not related to patient care are costs which are not appropriate or necessary and

proper in developing and maintaining the operation of patient care facilities and activities.

Non-allowable expenses were submitted with reimbursable cost 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 support service, administrative and routine, and capital cost centers are overstated.

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

Management's Response:

Management will address the recommendation with our new cost report preparer beginning in the next cost reporting period.

Finding 21-03 Adjustment Number(s) Impacted: 3 and 13

Condition: The provider included capital assets in the support service and administrative and routine cost centers rather than depreciating the assets over their useful lives.

Criteria: 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

Management's capitalization policy was not applied for the expense. Cause:

Effect: Management 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 administrative and routine cost centers are overstated while the capital cost center rate is understated.

Recommendation: Management should capitalize assets and calculate depreciation in accordance with the minimum requirements of PRM 15-1, Chapter 1, Section 108.1.

Management's Response

Management will update our capitalization policy in accordance with the requirements of PRM 15-1, Chapter 1, Section 108.1.

Finding 21-04 Adjustment Number(s) Impacted: 4

Condition: The provider did not properly calculate depreciation expense on assets for the period July 1, 2020 through June 30, 2021.

Criteria: Provider Reimbursement Manual 15-1, Chapter 1, Section 102 states depreciation must be: (a) identifiable and recorded in the provider's accounting records; (b)

based on the historical cost of the asset; and (c) prorated over the estimated useful life of the asset using an allowable method of depreciation.

Cause: Management included depreciation expense on a calendar year-end as opposed to aligning with the State of Delaware Medicaid Cost Report period of July 1, 2020

through June 30, 2021.

Effect: Submitted depreciation expense was not calculated for the appropriate period, resulting in a compliance finding. The calculated reimbursement rate submitted on

the cost report for the capital cost center is understated.

Recommendation: Management should ensure that depreciation expense is appropriately calculated when completing the State of Delaware Medicaid Cost Report.

Management's Response: Management will eliminate the amount of the 12/31 adjustment that does not relate to the fiscal year being reported on going forward.

Finding 21-05 Adjustment Number(s) Impacted: 6

Condition: Interest expense was not properly stated because the Provider did not offset the associated income.

Criteria: Provider Reimbursement Manual 15-1, Chapter 2, Section 202.2 requires funds generated from patient care activities invested in non-patient care related activities

to be reduced or offset against allowable interest expense.

Cause: Management did not properly recover interest income against interest 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

capital cost center is overstated.

Recommendation: Management should review working trial balance revenue accounts and recover income against the associated expense, when appropriate.

Management's Response:

Management will adhere to the recommendation going forward.

Finding 21-06 Adjustment Number(s) Impacted: 7

 ${\bf Condition:} \qquad \qquad {\bf The \ provider \ improperly \ removed \ allowable \ administrator \ payroll \ tax \ from \ reimbursable \ cost.}$

Criteria: Provider Reimbursement Manual 15-1, Chapter 9, Section 902 states that compensation paid to an employee who is an immediate relative of the owner of the

facility is reviewable under the test of reasonableness. Reasonableness requires that the compensation allowance be such an amount as would ordinarily be paid

for comparable services by comparable institutions depending upon the facts and circumstances of each case.

Administrator payroll taxes were improperly accounted for on the State of Delaware Medicaid Cost Report.

Effect: Management improperly removed administrator payroll tax, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for

the administrative and routine cost center is understated.

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

Management's Response:

Cause:

Management will address the recommendation with our new cost report preparer beginning in the next cost reporting period.

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Finding 21-07 Adjustment Number(s) Impacted: 8 and 10

Condition: The provider included non-allowable promotional marketing expense and non-allowable routine foot care 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.

Delaware State Plan Attachment 4.19-D. Section II. C. Excluded Services requires the removal of podiatric services from allowable costs.

Cause: Non-allowable expenses were submitted with allowable costs on the State of Delaware Medicaid Cost Report. The Provider attempted to remove promotional

advertising via adjustment but erroneously removed expense from an unrelated account.

Effect: Management did not properly address non-allowable expenses, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report

for the secondary cost center is overstated while the administrative and routine cost center rate is understated.

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

Management's Response:

Management will adhere to the recommendation going forward.

Finding 21-08 Adjustment Number(s) Impacted: 9

Condition: The provider improperly allocated fringe 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 when calculating the employee benefits allocation.

Management did not properly allocate fringe benefits expense, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report

for the administrative and routine cost center is overstated while the primary and secondary cost center rates are understated.

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

Management's Response:

Management will adhere to the recommendation going forward.

Finding 21-09 Adjustment Number(s) Impacted: 12

Condition: The provider included insurance expense incurred outside of the cost report period.

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

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

A cost report adjustment was not proposed to properly adjust the accrued expense for insurance to premiums paid during the cost report period. Cause:

Effect: Management did not properly address 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 and routine cost center is understated.

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

Management's Response:

Management will adhere to the recommendation going forward.

Finding 21-10 Adjustment Number(s) Impacted: 14

Condition: The provider's cost report adjustment to include allocated home office expense was not calculated properly.

Criteria: Provider Reimbursement Manual 15-1, Chapter 21, Section 2150 requires that home office costs which are not otherwise allowable costs when incurred directly by

the provider, cannot be allocated as allowable home office costs to providers.

Cause: Home office expense included management fees that were not replaced with actual home office pass down costs.

Effect: Management included management fees that were not replaced with actual home office pass down costs, resulting in a compliance finding. The calculated

reimbursement rate submitted on the cost report for the capital cost center is understated while the administrative and routine cost center rate is overstated.

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

Management's Response:

Management will address the recommendation with our new cost report preparer beginning in the next cost reporting period.

Finding 21-11 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.

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

Facilities 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 begin reconciling census numbers while preparing the cost report before it is finalized going forward.

Finding 21-12 Schedule of Adjustments to the Nursing Wage Survey

Condition: The provider improperly recorded total pay for the administrative director of nursing, total payroll and total hours for the administrative assistant director of

nursing, and total number of staff, total payroll, and total hours for non-administrative registered nurses and 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 pay for the

wage survey provioes instructions, by occupational group, on the appropriate grouping or total number of start, total pay, and total nours. Total pay for the administrative assistant director of nursing are to be included in Section II.A.1. Total pay and total hours for the administrative assistant director of nursing 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 pay for the

administrative director of nursing, total pay and total hours for the administrative assistant director of nursing, and total number of staff, total pay, and total hours

 $for non-administrative\ registered\ nurses\ and\ non-administrative\ nurse\ aides\ were\ understated\ on\ the\ nursing\ wage\ survey.$

Recommendation: 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.

Management's Response:

Management will adhere to the recommendation going forward.

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