

The background of the cover is a blurred photograph of a medical professional in a white coat, with a large green cross overlaid on their chest. The entire image is covered with a semi-transparent green overlay. Various medical icons are scattered across the green area, including a syringe, a pill, a stethoscope, a microscope, a group of people, and a virus-like symbol. A network of white lines connects these icons, suggesting a medical or healthcare system. The right side of the cover is a dark grey diagonal band containing the title and logo.

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

INDEPENDENT ACCOUNTANT'S REPORT

**Examination of
Coral Springs Rehabilitation and Healthcare Center
For Fiscal Year Ended June 30, 2022**



**MYERS AND
STAUFFER** LC
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountant's Report

State of Delaware
Office of Auditor of Accounts
401 Federal Street
Dover, DE 19901

Department of Health and Social Services
Division of Medicaid and Medical Assistance
Medicaid's Long Term Care Facilities
1901 N. Dupont Highway, Lewis Building
New Castle, DE 19720

Provider: Coral Springs Rehabilitation and Healthcare Center
Period: Fiscal Year Ended June 30, 2022

We have examined management's assertions that Coral Springs Rehabilitation and Healthcare 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, 2022. 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 December 1, 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
December 1, 2025

Coral Springs Rehabilitation and Healthcare Center
Schedule of Adjustments to the Trial Balance for the Fiscal Year Ending June 30, 2022

Type of Cost	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
Primary Patient Care Costs per Trial Balance of Costs		\$ 7,103,541		
	Adjustments to Primary Patient Care Costs			
1	To reclassify ambulance expense to the appropriate cost center		\$ (6,252)	
5	To adjust the employee benefits reclassification to reflect verified benefits		\$ 32,128	
11	To adjust to remove nurse aide training expense		\$ (3,728)	
Net Primary Patient Care Costs		\$ 7,103,541	\$ 22,148	\$ 7,125,689
Primary Patient Care Cost Per Day (*)		\$ 134.3	\$ 0.4	\$ 119.8
Secondary Patient Care Costs per Trial Balance of Costs		\$ 571,001		
	Adjustments to Secondary Patient Care Costs			
3	To reclassify rental expense to the appropriate cost center		\$ (20,571)	
5	To adjust the employee benefits reclassification to reflect verified benefits		\$ 799	
9	To reclassify Rx drugs expense to the appropriate cost center		\$ (67,381)	
Net Secondary Patient Care Costs		\$ 571,001	\$ (87,153)	\$ 483,848
Secondary Patient Care Cost Per Day (*)		\$ 10.8	\$ (1.5)	\$ 8.1
Support Service Costs per Trial Balance of Costs		\$ 2,306,047		
	Adjustments to Support Service Costs			
5	To adjust the employee benefits reclassification to reflect verified benefits		\$ 2,910	
8	To reclassify utilities expense to the appropriate cost center		\$ 4,698	
Net Support Service Costs		\$ 2,306,047	\$ 7,608	\$ 2,313,655
Support Service Cost Per Day (*)		\$ 43.6	\$ 0.1	\$ 38.9
Administrative & Routine Costs per Trial Balance of Costs		\$ 3,210,412		
	Adjustments to Administrative & Routine Costs			
5	To adjust the employee benefits reclassification to reflect verified benefits		\$ (513,338)	
6	To remove telephone expense related to personal patient use		\$ (5,290)	
10	To adjust insurance expense to the verified amount		\$ (7,163)	
11	To adjust to remove nurse aide training expense		\$ (5,500)	
Net Administrative & Routine Costs		\$ 3,210,412	\$ (531,291)	\$ 2,679,121
Administrative & Routine Cost Per Day (*)		\$ 60.7	\$ (8.9)	\$ 45.1

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

Coral Springs Rehabilitation and Healthcare Center
Schedule of Adjustments to the Trial Balance for the Fiscal Year Ending June 30, 2022

Type of Cost	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Expenses				
Capital Costs per Trial Balance of Costs		\$ 2,605,398		
	Adjustments to Capital Costs			
2	To adjust depreciation expense to reflect verified amounts		\$ 4,114	
3	To reclassify rental expense to the appropriate cost center		\$ 20,571	
4	To reverse the related party rent substitution adjustment		\$ 38,431	
7	To remove cable television expense related to personal patient use		\$ (85,615)	
8	To reclassify utilities expense to the appropriate cost center		\$ (4,698)	
Net Capital Costs		\$ 2,605,398	\$ (27,197)	\$ 2,578,201
Net Capital Cost Per Day (*)		\$ 49.3	\$ (0.5)	\$ 43.4
Ancillary Costs per Trial Balance of Costs		\$ 1,822,514		
	Adjustments to Ancillary Costs			
1	To reclassify ambulance expense to the appropriate cost center		\$ 6,252	
9	To reclassify Rx drugs expense to the appropriate cost center		\$ 67,381	
Net Ancillary Costs		\$ 1,822,514	\$ 73,633	\$ 1,896,147
Ancillary Cost Per Day (*)		\$ 34.5	\$ 1.2	\$ 31.9
Other Costs per Trial Balance of Costs		\$ 1,942		
	Adjustments to Other Costs			
	None		\$ -	
Net Other Costs		\$ 1,942	\$ -	\$ 1,942
Other Cost Per Day (*)		\$ 0.0	\$ -	\$ 0.0

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

Coral Springs Rehabilitation and Healthcare Center				
Schedule of Adjustments to Patient Days for the Fiscal Year Ending June 30, 2022				
Census Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Census				
Bed days available				66,065
Medicaid Non-Super Skilled Patient Days		36,249		
	Adjustments to Medicaid Patient Days		-	
Medicaid Super Skilled Patient Days		-		
	Adjustments to Medicaid Super Skilled Patient Days		-	
Medicare Patient Days		13,184		
	Adjustments to Medicare Patient Days		-	
Private Pay Patient Days		3,179		
	Adjustments to Private Pay Patient Days		-	
Medicare/Private Pay Hospice Patient Days		-		
	Adjustments to Medicare/Private Pay Hospice Patient Days		-	
Other Patient Days		279		
	Adjustments to Other Patient Days		-	
Total Patient Days		52,891	-	52,891
Minimum Occupancy				59,459

Coral Springs Rehabilitation and Healthcare Center				
Schedule of Adjustments to the Nursing Wage Survey for the Fiscal Year Ending June 30, 2022				
Nurse Type	Description	Reported Amounts	Adjustment Amounts	Adjusted Amounts
Nursing Wage Survey				
II-A Administrative Nurses				
	Director of Nursing - Number Paid	1	-	1
	Director of Nursing - Total Payroll	\$ 6,352	\$ -	\$ 6,352
	Director of Nursing - Total Hours	80.0	-	80.0
	Assistant Director of Nursing - Number Paid	2	-	2
	Assistant Director of Nursing - Total Payroll	\$ 7,802	\$ -	\$ 7,802
	Assistant Director of Nursing - Total Hours	160.0	-	160.0
	Registered Nurses - Number Paid	2	-	2
	Registered Nurses - Total Payroll	\$ 7,826	\$ -	\$ 7,826
	Registered Nurses - Total Hours	169.4	-	169.4
	Licensed Practical Nurses - Number Paid	1	-	1
	Licensed Practical Nurses - Total Payroll	\$ 2,840	\$ -	\$ 2,840
	Licensed Practical Nurses - Total Hours	80.0	-	80.0
	Nurse Aides - Number Paid	-	-	-
	Nurse Aides - Total Payroll	\$ -	\$ -	\$ -
	Nurse Aides - Total Hours	-	-	-
II-B All Remaining Nursing Staff				
	Registered Nurses - Number Paid	11	-	11
	Registered Nurses - Total Payroll	\$ 31,039	\$ -	\$ 31,039
	Registered Nurses - Total Hours	753.0	-	753.0
	Licensed Practical Nurses - Number Paid	25	1.0	26
	Licensed Practical Nurses - Total Payroll	\$ 50,414	\$ 3,846	\$ 54,260
	Licensed Practical Nurses - Total Hours	1,560.3	80.0	1,640.3
	Nurse Aides - Number Paid	55	-	55
	Nurse Aides - Total Payroll	\$ 61,076	\$ -	\$ 61,076
	Nurse Aides - Total Hours	3,200.8	-	3,200.8

Commentary

1) Accounts Receivable credit balances were not remitted back to Delaware Medicaid and Private Pay patients as of the report date.



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 Coral Springs Rehabilitation and Healthcare 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, 2022, and have issued our report thereon dated December 1, 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
December 1, 2025

Coral Springs Rehabilitation and Healthcare Center
Schedule of Findings for the Fiscal Year Ending June 30, 2022

Findings and Responses

Finding 22-01 Adjustment Number(s) Impacted: 1, 3, 8, and 9

Condition: The provider grouped ambulance, rental, utilities, and Rx drugs expense to improper cost centers.

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, for the appropriate grouping of expense. Rental and utilities expense are to be grouped to the capital cost center and ambulance and Rx drugs are to be grouped to the ancillary cost center.

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

Effect: Management did not properly group expenses, resulting in a compliance finding. The calculated reimbursement rates submitted on the cost report for the support service, capital, and ancillary cost centers are understated, while the primary and secondary 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 agrees with the finding and will take the necessary steps to ensure that all expenses are submitted on the Medicaid cost report in accordance with the account groupings outlined in the State of Delaware Department of Health and Social Services, Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities.

Finding 22-02 Adjustment Number(s) Impacted: 2

Condition: The provider did not utilize American Hospital Association (AHA) Useful Life Guidelines when calculating depreciation expense on asset additions for the period July 1, 2021 through June 30, 2022.

Criteria: Provider Reimbursement Manual 15-1, Chapter 1, Section 104.17 requires the AHA Useful Life Guidelines to be used for estimated useful life of an asset for all assets acquired on or after January 1, 1981.

Cause: Management's capitalization policy and submitted depreciation expense does not align with AHA guidelines.

Effect: Submitted depreciation expense was not calculated in accordance with AHA guidelines for estimated useful life of an asset, 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 AHA Useful Life Guidelines are used when calculating depreciation for all assets.

Management's Response: Management agrees with the finding and will ensure that the AHA Useful Life Guidelines are consistently applied when calculating depreciation for all assets reported on the Medicaid cost report.

Finding 22-03 Adjustment Number(s) Impacted: 4

Condition: The provider improperly adjusted to remove non-related party rent expense.

Criteria: Provider Reimbursement Manual 15-1, Chapter 23, Section 2304 states that cost information as developed by the provider must be current, accurate, and sufficient detail to support payments made for services rendered to beneficiaries.

Cause: Management substituted facility rent expense with a non-related party real estate company on the Medicaid cost report.

Effect: Management improperly adjusted expense, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the capital 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: Management agrees with the finding and will strengthen its review process to ensure that all submitted expenses are accurate and appropriate prior to inclusion in the State of Delaware Medicaid Cost Report.

Finding 22-04 Adjustment Number(s) Impacted: 5

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 verified employee benefits when calculating the employee benefits allocation and erroneously included a separate adjustment within a portion of the reclassification.

Effect: Management did not properly allocate fringe benefits expense and did not properly post the reclassification, resulting in a compliance finding. The calculated reimbursement rates submitted on the cost report for the primary, secondary, and support service cost centers are understated while the administrative and routine cost center is overstated.

Recommendation: Management should utilize accurate components in their calculation when allocating fringe benefits expense on the State of Delaware Medicaid Cost Report.

Management's Response: Management agrees with the finding and will review and update the allocation methodology to ensure that accurate components are used in the calculation of fringe benefit expenses on the State of Delaware Medicaid Cost Report.

Finding 22-05 Adjustment Number(s) Impacted: 6, 7, and 11

Condition: The provider included non-allowable personal patient use telephone and cable television and nurse aide training 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 that are 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, for the appropriate grouping of expense. Nurse aide training and certification expenditures should be removed from the cost report.

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

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, administrative and routine, and capital cost centers are 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 agrees with the finding and will strengthen its review process to ensure that all submitted expenses are accurate and appropriate prior to inclusion in the State of Delaware Medicaid Cost Report.

Finding 22-06 Adjustment Number(s) Impacted: 10

Condition: The Provider included insurance expense incurred outside of the cost report period with reimbursable cost.

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.

Cause: A cost report adjustment was not proposed to properly reflect insurance premiums incurred during the cost report period.

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 and routine cost center is 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 agrees with the finding and will take the necessary steps to ensure that all expenses submitted on the Medicaid cost report are reviewed for accuracy and compliance with State of Delaware reporting requirements.

Finding 22-07 Schedule of Adjustments to the Nursing Wage Survey

- Condition: The provider improperly recorded total number of staff, total pay, and total hours for the non-administrative licensed practical nurses 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 number of staff, total pay, and total hours for non-administrative licensed practical nurses 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 number of staff, total pay, and total hours for non-administrative licensed practical nurses 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 agrees with the finding and will ensure that future Nursing Wage Surveys are prepared 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.