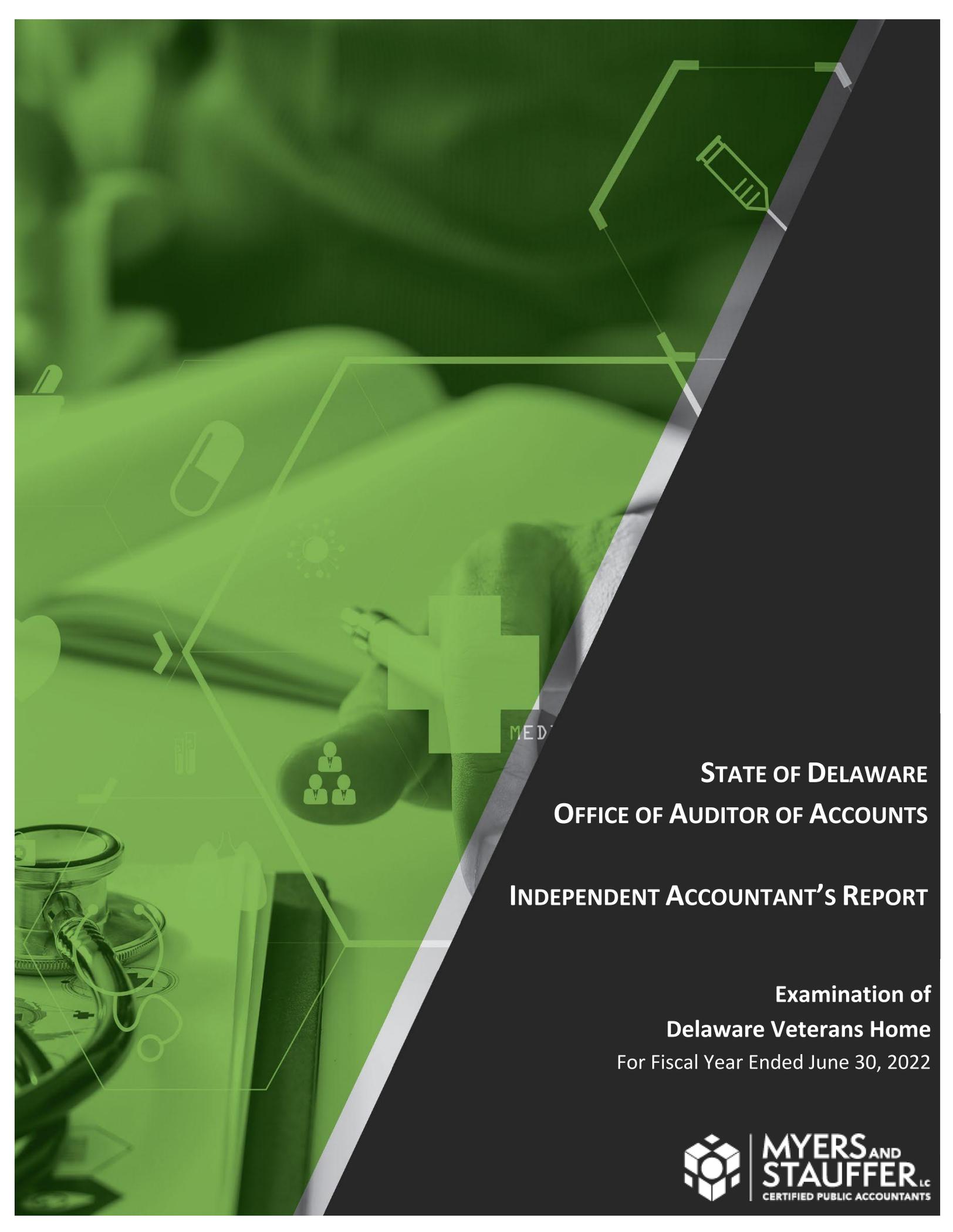




DELAWARE VETERANS HOME

LONG-TERM CARE FACILITY EXAMINATION
FISCAL YEAR ENDED JUNE 30, 2022

The background features a blurred medical scene with a person lying down. A green semi-transparent overlay covers the left and top portions of the image. Overlaid on this are various medical icons: a syringe, a pill, a virus, a stethoscope, a clipboard, and a group of three people. A large green cross is centered over the person's chest. The text is positioned on a dark grey diagonal band on the right side of the page.

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

INDEPENDENT ACCOUNTANT'S REPORT

**Examination of
Delaware Veterans Home**
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: Delaware Veterans Home
Period: Fiscal Year Ended June 30, 2022

We have examined management's assertions that Delaware Veterans 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, 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

Delaware Veterans Home
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		\$ 4,658,730		
	Adjustments to Primary Patient Care Costs			
6	To reclassify rental expense to the appropriate cost center		\$ (1,325)	
Net Primary Patient Care Costs		\$ 4,658,730	\$ (1,325)	\$ 4,657,405
Primary Patient Care Cost Per Day (*)		\$ 246.6	\$ (0.0)	\$ 98.5
Secondary Patient Care Costs per Trial Balance of Costs		\$ 693,316		
	Adjustments to Secondary Patient Care Costs			
2	To reclassify food expense to the appropriate cost center		\$ 4,640	
Net Secondary Patient Care Costs		\$ 693,316	\$ 4,640	\$ 697,956
Secondary Patient Care Cost Per Day (*)		\$ 36.7	\$ 0.1	\$ 14.8
Support Service Costs per Trial Balance of Costs		\$ 3,925,137		
	Adjustments to Support Service Costs			
2	To reclassify food expense to the appropriate cost center		\$ (4,640)	
3	To remove capital expense and to allow the applicable depreciation expense		\$ (14,150)	
4	To remove capital expense and to allow the applicable depreciation expense		\$ (20,764)	
5	To remove capital asset acquisition cost		\$ (6,295)	
6	To reclassify rental expense to the appropriate cost center		\$ (5,247)	
8	To reclassify maintenance expense to the appropriate cost center		\$ 24,988	
12	To remove capital expense and to allow the applicable depreciation expense		\$ (9,870)	
Net Support Service Costs		\$ 3,925,137	\$ (35,978)	\$ 3,889,159
Support Service Cost Per Day (*)		\$ 207.7	\$ (0.8)	\$ 82.2
Administrative & Routine Costs per Trial Balance of Costs		\$ 3,246,746		
	Adjustments to Administrative & Routine Costs			
6	To reclassify rental expense to the appropriate cost center		\$ (12,077)	
7	To adjust to remove civil money penalty expense		\$ (10,400)	
8	To reclassify maintenance expense to the appropriate cost center		\$ (24,988)	
9	To remove capital expense and to allow the applicable depreciation expense		\$ (91,517)	
10	To remove architectural fees related to asset additions		\$ (11,628)	
11	To remove capital asset acquisition cost		\$ (27,728)	
Net Administrative & Routine Costs		\$ 3,246,746	\$ (178,338)	\$ 3,068,408
Administrative & Routine Cost Per Day (*)		\$ 171.8	\$ (3.8)	\$ 64.9

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

Delaware Veterans Home
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		\$ -		
	Adjustments to Capital Costs			
1	To adjust depreciation expense excluded from the cost report		\$ 872,125	
3	To remove capital expense and to allow the applicable depreciation expense		\$ 708	
4	To remove capital expense and to allow the applicable depreciation expense		\$ 4,153	
6	To reclassify rental expense to the appropriate cost center		\$ 18,649	
9	To remove capital expense and to allow the applicable depreciation expense		\$ 14,689	
12	To remove capital expense and to allow the applicable depreciation expense		\$ 1,316	
Net Capital Costs		\$ -	\$ 911,640	\$ 911,640
Net Capital Cost Per Day (*)		\$ -	\$ 19.3	\$ 19.3
Ancillary Costs per Trial Balance of Costs		\$ 449,833		
	Adjustments to Ancillary Costs			
	None		\$ -	
Net Ancillary Costs		\$ 449,833	\$ -	\$ 449,833
Ancillary Cost Per Day (*)		\$ 23.8	\$ -	\$ 9.5
Other Costs per Trial Balance of Costs		\$ -		
	Adjustments to Other Costs			
	None		\$ -	
Net Other Costs		\$ -	\$ -	\$ -
Other Cost Per Day (*)		\$ -	\$ -	\$ -

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

Delaware Veterans Home				
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			52,560
	Medicaid Non-Super Skilled Patient Days	6,813		
	Adjustments to Medicaid Patient Days		34	
	Medicaid Super Skilled Patient Days	-		
	Adjustments to Medicaid Super Skilled Patient Days		-	
	Medicare Patient Days	97		
	Adjustments to Medicare Patient Days		-	
	Private Pay Patient Days	6,351		
	Adjustments to Private Pay Patient Days		(34)	
	Medicare/Private Pay Hospice Patient Days	-		
	Adjustments to Medicare/Private Pay Hospice Patient Days		-	
	Other Patient Days	5,634		
	Adjustments to Other Patient Days		-	
	Total Patient Days	18,895	-	18,895
	Minimum Occupancy			47,304

Delaware Veterans Home				
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	\$ 3,673	\$ -	\$ 3,673
	Director of Nursing - Total Hours	75.0	-	75.0
	Assistant Director of Nursing - Number Paid	3	(1.0)	2
	Assistant Director of Nursing - Total Payroll	\$ 11,521	\$ (3,096)	\$ 8,425
	Assistant Director of Nursing - Total Hours	270.5	(75.0)	195.5
	Registered Nurses - Number Paid	2	-	2
	Registered Nurses - Total Payroll	\$ 4,011	\$ (10)	\$ 4,001
	Registered Nurses - Total Hours	121.0	-	121.0
	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 Remaining Nursing Staff				
	Registered Nurses - Number Paid	21	(4.0)	17
	Registered Nurses - Total Payroll	\$ 57,365	\$ (13,915)	\$ 43,450
	Registered Nurses - Total Hours	1,553.0	(58.0)	1,495.0
	Licensed Practical Nurses - Number Paid	8	-	8
	Licensed Practical Nurses - Total Payroll	\$ 15,357	\$ -	\$ 15,357
	Licensed Practical Nurses - Total Hours	594.3	218.8	813.1
	Nurse Aides - Number Paid	28	1.0	29
	Nurse Aides - Total Payroll	\$ 46,080	\$ 613	\$ 46,693
	Nurse Aides - Total Hours	2,464.7	53.8	2,518.5

Commentary

- 1) The provider was unable to support Medicaid eligibility for one sampled resident.
- 2) The provider was unable to support Medicaid spend down for one sampled resident fund account balance in excess of \$2,000.



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 Delaware Veterans 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, 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

Delaware Veterans Home
Schedule of Findings for the Fiscal Year Ending June 30, 2022

Findings and Responses

Finding 22-01 Adjustment Number(s) Impacted: 1

Condition: The provider did not include depreciation expense on the cost report.

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. This includes all ledgers, books, records and original evidences of cost (purchase requisitions, purchase orders, vouchers, requisitions for materials, inventories, labor time cards, payrolls, bases for apportioning costs, etc.), which pertain to the determination of reasonable cost, capable of being audited.

Cause: Management's working trial balance does not account for depreciation expense and an adjustment to include the expense on the cost report was not submitted.

Effect: Management did not properly report expenses, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the capital cost center is understated.

Recommendation: Management should submit expenses on the Medicaid cost report in accordance with the State of Delaware Department of Health and Social Services, Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities and should review submitted cost report adjustments to ensure they are appropriate.

Management's Response: Because the nursing facility is owned and operated by the State of Delaware, depreciation expense is not recorded in the routine accounting transactions which include the receipts and disbursements related to the nursing facility. The depreciation expense was included in the adjustment schedule but recorded in a way that it did not transfer to the trial balance page of the cost report. To avoid this in the future, the cost report preparer changed the process of preparation, making the adjustments in the source trial balance data provided by the nursing facility. This source data makes the effect of the transaction much more visible and eliminates the chance that the amount would not be transferred from the adjustment schedule page of the cost report.

Finding 22-02 Adjustment Number(s) Impacted: 2, 6, and 8

Condition: The provider grouped food, rental, and maintenance 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. Food, rental, and maintenance expense are to be grouped to the secondary, capital, and support service cost centers, respectively.

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 expense, resulting in a compliance finding. The calculated reimbursement rates submitted on the cost report for the secondary, support service, and capital cost centers are understated, while the primary 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: The cost report preparer generally follows the coding by the provider, unless information indicates that the coding may be in error. An "audit" of the coding is not in the scope of the cost report preparation process. The provider will review coding to ensure that items are coded to the proper departments within the nursing facility, to ensure the cost report preparer can group to the proper department in the cost report.

Finding 22-03 **Adjustment Number(s) Impacted: 3, 4, 5, 9, 11, and 12**

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. The provider also included asset addition acquisition cost of assets in the support service and administrative and routine cost centers on the cost report.

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 method of depreciation.

Cause: Management's capitalization policy was not applied for the capital expense and management also included asset addition acquisition cost of assets on the cost report.

Effect: Management did not capitalize assets in accordance with its capitalization policy and management also did not remove asset addition acquisition cost, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the capital cost center is understated, while the support service and administrative and routine cost centers are overstated.

Recommendation: Management should capitalize assets, calculate depreciation, and remove asset addition acquisition cost from the cost report in accordance with the minimum requirements of PRM 15-1, Chapter 1, Section 108.1.

Management's Response: The provider is owned by the State of Delaware, and therefore, coded expenditures as either an expense or capital item following the policy of the State of Delaware as stated in the state's Budget and Accounting Policy Manual. In the Medicaid cost report instructions, the following statements support use of the State of Delaware Policy: In Section III. Records, paragraph A, the instructions state that the Medicaid cost report for nursing facilities should be prepared from the books and records of each facility on the same basis as its financial statements are prepared. Additionally, in the section labeled "Capital Costs," the instructions state to only capitalize an asset that has a cost of \$5,000 or greater and has a useful life of more than one year. It does not state that anything in excess of \$5,000 has to be capitalized but rather states that items under \$5,000 should not be capitalized. Therefore, the provider disputes the proposed adjustments for removal of capital items because we prepared the cost report on the same basis as the routine financial reports that are prepared for this facility. Additionally, the cost report preparer has updated their questionnaire to collect more complete information related to potential fixed asset items to better identify potential adjustments.

Auditor's Response: The cost report instructions referenced in Section III. Records, paragraph A, is not specific to capitalizing assets over their useful lives. Rather, the instructions in this section are to be used as a general guideline to prepare the cost report using books and records of the facility. The expenses adjusted for in this finding align with the cost report instructions and PRM 15-1, Chapter 1, Section 108.1. The expenses have an acquisition cost of \$5,000 or greater, and based on American Hospital Association (AHA) Useful Life Guidelines, a useful life of more than one year requiring capitalization on the Medicaid cost report.

Finding 22-04 **Adjustment Number(s) Impacted: 7**

Condition: The provider included non-allowable civil money penalty 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.

Cause: Non-allowable expense was 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 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: The account description in the GL account where this CMP was recorded was not descriptive, and the cost report preparer did not have a specific question in their client questionnaire to confirm the existence of CMP disbursements. As a result, this item was included in administrative cost. The cost report preparer has updated the questionnaire to add an inquiry to the provider as to the existence of CMP's in the expenses and for the provider to provide the GL account and amount containing any CMP disbursements.

Finding 22-05 Adjustment Number(s) Impacted: 10

Condition: The provider included architectural fees associated with a capital asset to the administrative and routine cost center.

Criteria: Provider Reimbursement Manual 15-1, Chapter 1, Section 104.10 states that historical cost is the cost incurred by the present owner in acquiring the asset and preparing it for use. Generally such cost includes costs that are capitalized under generally accepted accounting principles. For example, in addition to the purchase price, historical cost includes architectural fees, consulting fees, and related legal fees.

Cause: Architectural fees associated with a capital asset were grouped to the administrative and routine cost center rather than included with the historical cost of the asset capitalized over the useful life.

Effect: Management did not capitalize assets in accordance with appropriate regulations, 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 capitalize assets and calculate depreciation in accordance with the minimum requirements of PRM 15-1, Chapter 1, Section 104.10.

Management's Response: These fees were grouped with administrative contract services. The cost report preparer does not review individual invoices during the cost report preparation process. An "audit" of the coding is not in the scope of the cost report preparation process. The cost report preparer has updated their questionnaire to collect more complete information related to potential fixed asset items to better identify potential adjustments.

Finding 22-06 Schedule of Adjustments to Patient Days

Condition: Verified patient days agreed in total but variances between Medicaid and Private Pay were noted.

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 census line, on the appropriate classification of patient days. Line 5A should reflect total Medicaid Non-Super Skilled patient days and Line B 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 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: The patient days used for the filed cost report were based on information available soon after the end of the fiscal period. Information related to patients continued to be developed, and the information was resolved prior to the time the census reports were run for the auditors. As a result, there were a small number of patient days where adjustments had been done based on the final information. In the normal course of reviewing the financial status of patients, an initial determination evolves, and an adjustment must be made. In this case, the cost report preparation deadline meant that the preliminary information had to be used to file the cost report. The patient day tracking was adjusted in the normal course of provider operations.

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 administrative assistant director of nursing, total pay for the administrative registered nurses, total number of staff, total pay, and total hours for the non-administrative registered nurses, total hours for the non-administrative licensed practical nurses, and total number of staff, total pay, and total hours for the 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 number of staff, total pay, and total hours for the administrative assistant director of nursing are to be included in Section II.A.2. Total pay for the administrative registered nurses are to be included in Section II.A.3. Total number of staff, total pay, and total hours for the non-administrative registered nurses, non-administrative licensed practical nurses, and non-administrative 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 number of staff, total pay, and total hours for the administrative assistant director of nursing and non-administrative registered nurses were overstated on the nursing wage survey. The calculated total pay for the administrative registered nurses was also overstated on the nursing wage survey. The calculated total hours for the non-administrative licensed practical nurses were understated on the nursing wage survey. The total number of staff, total pay, and total hours for the non-administrative nurse aides were also 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 understands the adjustments to the nursing wage survey and going forward will update the process to more accurately reflect the information provided.