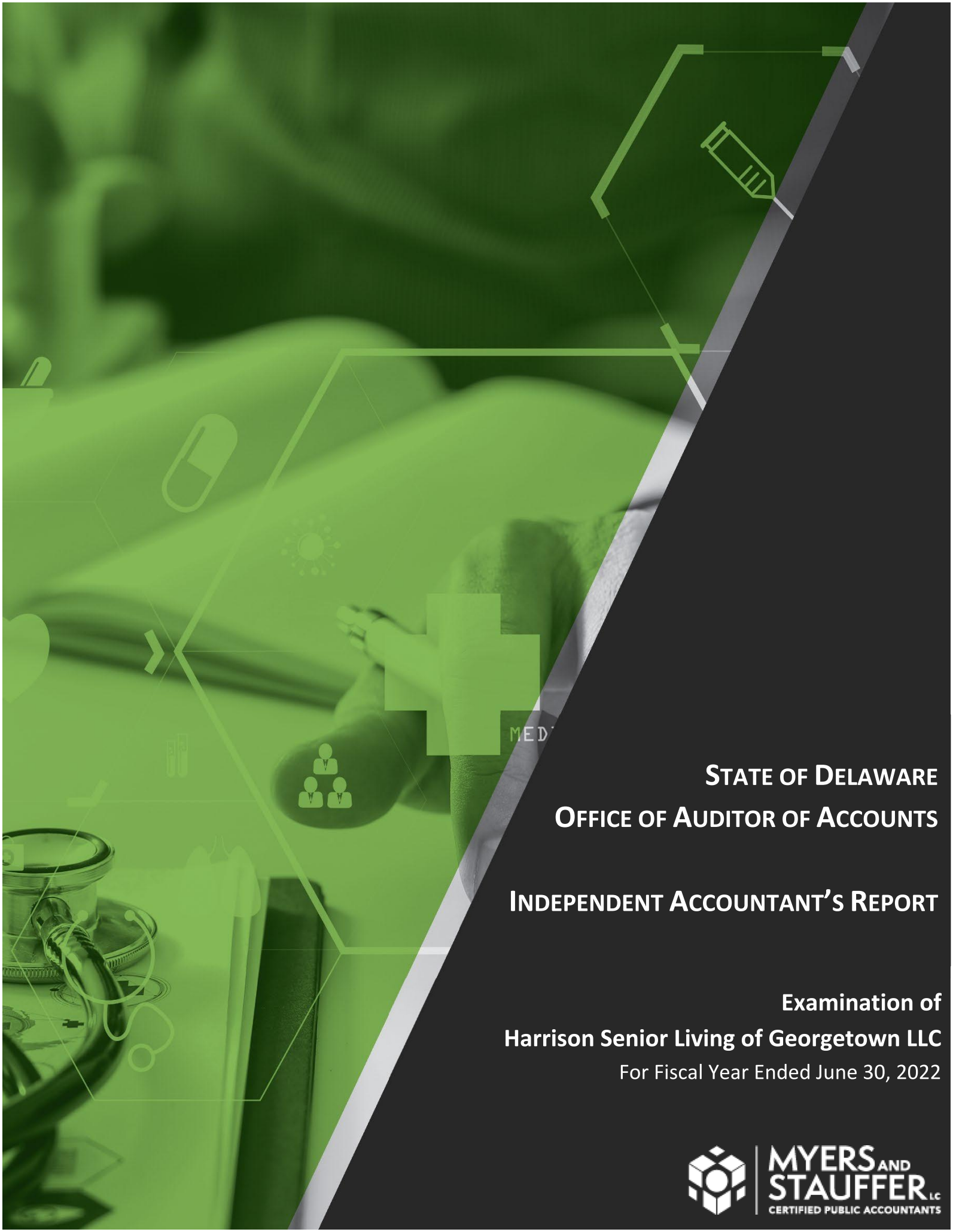
HARRISON SENIOR LIVING OF GEORGETOWN, LLC

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



STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS

INDEPENDENT ACCOUNTANT'S REPORT

Examination of
Harrison Senior Living of Georgetown LLC
For Fiscal Year Ended June 30, 2022

MYERS AND STAUFFER LC
CERTIFIED PUBLIC ACCOUNTANTS

Table of Contents

MYERS AND STAUFFER LC
CERTIFIED PUBLIC ACCOUNTANTS

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: Harrison Senior Living of Georgetown LLC
Period: Fiscal Year Ended June 30, 2022

We have examined management's assertions that Harrison Senior Living of Georgetown LLC (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

Harrison Senior Living of Georgetown LLC 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		$ 4,790,645		
	Adjustments to Primary Patient Care Costs			
6	To adjust to remove nurse aide training expense		$ (3,775)	
10	To allocate health insurance expense to the appropriate cost center		$ 251,921	
Net Primary Patient Care Costs		**$ 4,790,645**	**$ 248,146**	**$ 5,038,791**
Primary Patient Care Cost Per Day (*)		**$ 137.8**	**$ 5.4**	**$ 110.4**
Secondary Patient Care Costs per Trial Balance of Costs		$ 969,840		
	Adjustments to Secondary Patient Care Costs			
2	To reclassify rental and lease expense to the appropriate cost center		$ (1,909)	
3	To reclassify ambulance expense to the appropriate cost center		$ (71,535)	
10	To allocate health insurance expense to the appropriate cost center		$ 15,168	
11	To reverse the asset additions under $5,000 adjustment		$ (3,118)	
Net Secondary Patient Care Costs		**$ 969,840**	**$ (61,394)**	**$ 908,446**
Secondary Patient Care Cost Per Day (*)		**$ 27.9**	**$ (1.3)**	**$ 19.9**
Support Service Costs per Trial Balance of Costs		$ 1,667,465		
	Adjustments to Support Service Costs			
2	To reclassify rental and lease expense to the appropriate cost center		$ (2,011)	
5	To reclassify property insurance expense to the appropriate cost center		$ (21,437)	
10	To allocate health insurance expense to the appropriate cost center		$ 65,275	
11	To reverse the asset additions under $5,000 adjustment		$ (14,003)	
Net Support Service Costs		**$ 1,667,465**	**$ 27,824**	**$ 1,695,289**
Support Service Cost Per Day (*)		**$ 48.0**	**$ 0.6**	**$ 37.1**
Administrative & Routine Costs per Trial Balance of Costs		$ 3,449,845		
	Adjustments to Administrative & Routine Costs			
2	To reclassify rental and lease expense to the appropriate cost center		$ (3,061)	
4	To adjust the home office pass down expense to the verified amount		$ (154,864)	
8	To adjust to remove excess casualty policy expense		$ (4,985)	
9	To adjust to remove excess GLPL policy expense		$ (5,128)	
10	To allocate health insurance expense to the appropriate cost center		$ (332,364)	
11	To reverse the asset additions under $5,000 adjustment		$ (949)	
Net Administrative & Routine Costs		**$ 3,449,845**	**$ (501,351)**	**$ 2,948,494**
Administrative & Routine Cost Per Day (*)		**$ 99.2**	**$ (11.0)**	**$ 64.6**

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

Harrison Senior Living of Georgetown LLC 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		$ 772,007		
	Adjustments to Capital Costs			
1	To remove cable television expense related to personal patient use		(14,711)	
2	To reclassify rental and lease expense to the appropriate cost center		6,981	
5	To reclassify property insurance expense to the appropriate cost center		21,437	
7	To adjust depreciation expense to reflect verified amounts		(6,087)	
Net Capital Costs		**$ 772,007**	**$ 7,620**	**$ 779,627**
Net Capital Cost Per Day (*)		**$ 22.2**	**$ 0.2**	**$ 17.1**
Ancillary Costs per Trial Balance of Costs		$ 1,174,238		
	Adjustments to Ancillary Costs			
3	To reclassify ambulance expense to the appropriate cost center		$ 71,535	
Net Ancillary Costs		**$ 1,174,238**	**$ 71,535**	**$ 1,245,773**
Ancillary Cost Per Day (*)		**$ 33.8**	**$ 1.6**	**$ 27.3**
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.

Harrison Senior Living of Georgetown LLC 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				50,735
Medicaid Non-Super Skilled Patient Days		26,024		
	Adjustments to Medicaid Patient Days		1,012	
Medicaid Super Skilled Patient Days		-		
	Adjustments to Medicaid Super Skilled Patient Days		-	
Medicare Patient Days		5,754		
	Adjustments to Medicare Patient Days		20	
Private Pay Patient Days		2,956		
	Adjustments to Private Pay Patient Days		8	
Medicare/Private Pay Hospice Patient Days		37		
	Adjustments to Medicare/Private Pay Hospice Patient Days		2	
Other Patient Days		-		
	Adjustments to Other Patient Days		-	
Total Patient Days		**34,771**	**1,042**	**35,813**
Minimum Occupancy				**45,662**

Harrison Senior Living of Georgetown LLC 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	$ 4,952	$ 1,068	**$ 6,020**
	Director of Nursing - Total Hours	80.0	-	**80.0**
	Assistant Director of Nursing - Number Paid	1	-	**1**
	Assistant Director of Nursing - Total Payroll	$ 3,488	$ -	**$ 3,488**
	Assistant Director of Nursing - Total Hours	80.0	-	**80.0**
	Registered Nurses - Number Paid	6	(2.0)	**4**
	Registered Nurses - Total Payroll	$ 21,846	$ (7,075)	**$ 14,771**
	Registered Nurses - Total Hours	480.0	(160.0)	**320.0**
	Licensed Practical Nurses - Number Paid	-	-	**-**
	Licensed Practical Nurses - Total Payroll	$ -	$ -	**$ -**
	Licensed Practical Nurses - Total Hours	-	-	**-**
	Nurse Aides - Number Paid	1	-	**1**
	Nurse Aides - Total Payroll	$ 1,537	$ 910	**$ 2,447**
	Nurse Aides - Total Hours	80.0	13.8	**93.8**
II-B All Remaining Nursing Staff				
	Registered Nurses - Number Paid	9	-	**9**
	Registered Nurses - Total Payroll	$ 5,217	$ 15,461	**$ 20,678**
	Registered Nurses - Total Hours	145.5	336.3	**481.8**
	Licensed Practical Nurses - Number Paid	19	-	**19**
	Licensed Practical Nurses - Total Payroll	$ 11,520	$ 62,424	**$ 73,944**
	Licensed Practical Nurses - Total Hours	361.6	1,332.4	**1,694.0**
	Nurse Aides - Number Paid	45		**45**
	Nurse Aides - Total Payroll	$ 12,002	$ 73,243	**$ 85,245**
	Nurse Aides - Total Hours	1,006.8	1,498.3	**2,505.0**

Commentary

1) Patient personal fund documentation could not be supported.
2) A reconciliation of salary and payroll taxes to the quarterly 941 federal tax forms could not be supported.

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 Harrison Senior Living of Georgetown LLC (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

Findings and Responses

Finding 22-01	**Adjustment Number(s) Impacted: 1 and 6**
Condition:	The provider included non-allowable personal patient use 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 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 did not provide a response.

Finding 22-02	**Adjustment Number(s) Impacted: 2, 3, and 5**
Condition:	The provider grouped rental and lease, ambulance, and property insurance 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 lease and property insurance expenses are to be grouped to the capital cost center, while ambulance expenses 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 expense, resulting in a compliance finding. The calculated reimbursement rates submitted on the cost report for the capital and ancillary cost centers are understated, while the secondary, support service, and administrative and routine cost centers are overstated.
Recommendation:	Management should submit expenses on the Medicaid cost report in accordance with account groupings identified in the State of Delaware Department of Health and Social Services, Division of Medicaid and Medical Assistance Medicaid Cost Report Instructions for Nursing Facilities.
Management's Response:	Management did not provide a response.

Finding 22-03	**Adjustment Number(s) Impacted: 4**
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 2150.3 states that starting with its total costs, including those paid on behalf of providers (or other components in the chain), the home office must delete all costs which are not allowable in accordance with program instructions. The remaining costs (total allowable costs) will then be identified as capital-related costs and noncapital-related costs and allocated as detailed in the remaining sections of Section 2150.3 to all the components--both providers and nonproviders--in the chain which received services from the home office. Additionally, Section 2150.3 states that allowable costs incurred for the benefit of, or directly attributable to, a specific provider or nonprovider activity must be allocated directly to the chain entity for which they were incurred.
Cause:	The home office expense allocation did not include all non-capital home office management fee expenses in the provider's non-capital home office adjustment and included salaries that can be directly allocated to home office facilities.
Effect:	Management did not include all non-capital home office management fee expenses in the non-capital home office adjustment and included salaries that can be directly allocated to home office facilities, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the administrative and routine and cost center is overstated.
Recommendation:	Management should submit home office costs in accordance with appropriate regulations.
Management's Response:	Management did not provide a response.

Finding 22-04	**Adjustment Number(s) Impacted: 7**
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 overstated.
Recommendation:	Management should ensure that AHA Useful Life Guidelines are used when calculating depreciation for all assets.
Management's Response:	Management did not provide a response.

Finding 22-05	**Adjustment Number(s) Impacted: 8 and 9**
Condition:	The Provider included insurance expense incurred outside of the cost report period on the cost report.
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 did not provide a response.

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

Condition: The provider did not allocate health insurance 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's working trial balance account grouping to the cost report includes all health insurance expense in the administrative and routine cost center.

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

Recommendation: Management should submit health insurance expense in accordance with appropriate regulations.

Management's Response: Management did not provide a response.

Finding 22-07 **Adjustment Number(s) Impacted: 11**

Condition: The provider improperly adjusted to include asset additions under $5,000 on the cost report.

Criteria: Provider Reimbursement Manual 15-1, Chapter 1, Section 108.1 states that if a depreciable asset has at the time of its acquisition 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 one of the approved methods of depreciation.

Cause: Management included asset additions under $5,000 on the fixed asset listing and also adjusted to add back asset additions with an acquisition cost of under $5,000.

Effect: Management improperly adjusted asset additions under $5,000, resulting in a compliance finding. The calculated reimbursement rate submitted on the cost report for the secondary, support service, and administrative and routine cost centers are overstated.

Recommendation: Management should submit asset additions expense in accordance with appropriate regulations.

Management's Response: Management did not provide a response.

Finding 22-08 **Schedule of Adjustments to Patient Days**

Condition: Verified patient days do not match the total submitted on the cost report. Classification variances between Medicaid, Medicare, Private Pay, and Medicare/Private Pay Hospice payer types 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, Line A should reflect total Medicare patient days, Line B should reflect total Private Pay patient days, and Line C should reflect total Medicare/Private Pay Hospice 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 did not provide a response.

Finding 22-09 **Schedule of Adjustments to the Nursing Wage Survey**

Condition: The provider improperly recorded total pay for the administrative director of nursing, total number of staff, total pay, and total hours for the administrative registered nurses, and total pay and total hours for the administrative nurse aides, non-administrative registered nurses, non-administrative licensed practical 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 administrative director of nursing is to be included in Section II.A.1. Total number of staff, total pay, and total hours for the administrative registered nurses and administrative nurse aides are to be included in Section II.A.3. Total pay and total hours for the non-administrative registered nurses, non-administrative licensed practical nurses, and non-administrative nurses 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 registered nurses were overstated on the nursing wage survey. The calculated total pay for the administrative director of nursing and total pay and total hours for the administrative nurse aides, non-administrative registered nurses, non-administrative licensed practical 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 did not provide a response.

Finding 22-10 **Comment Number(s) Impacted: 1 and 2**

Condition: The provider did not provide supporting documentation for patient personal funds and did not provide supporting documentation to reconcile payroll salaries and taxes.

Criteria: Under CFR 483.10 (f) (10) (iii) Patient Rights, the facility must establish and maintain a system that assures full, complete, and separate accounting, according to generally accepted accounting principles (GAAP), of each resident's personal funds entrusted to the facility on the resident's behalf.

The Medicaid Cost Report for Nursing Facilities should be supported by a trial balance and necessary schedules. The Facility should have internal controls in place to ensure that the trial balance and schedules be available for audit within the State of Delaware by the Medicaid Agency or its designated representative for a period of five years after the date of filing of the Medicaid Cost Report with the Medicaid Agency.

Cause: Management asserted that the supporting documentation for patient personal funds and a reconciliation for payroll salaries and taxes were no longer available.

Effect: Management was not able to confirm the establishment and maintenance of full, complete, and separate accounting for patient personal funds and was not able to provide a reconciliation of payroll salaries and taxes to the quarterly 941 federal tax forms.

Recommendation: Management should ensure that internal controls over patient personal funds are followed, including maintenance of a full, complete, and separate accounting in accordance with GAAP. Management should also ensure that internal control policies over record retention are in place to comply with the five year record retention requirement.

Management's Response: Management did not provide a response.