

STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION

2015 NOV 12 P 12: 20

THE HEALTH CENTER OF PENSACOLA,
INC. d/b/a THE HEALTH CENTER OF
PENSACOLA,

Petitioner,

vs.

CASE NO.: 05-4676
ENGAGEMENT No: NH04-199J
PROVIDER No.: 229571
RENDITION NO.: AHCA-15 -0695 -S-MDA


STATE OF FLORIDA, AGENCY FOR
HEALTH CARE ADMINISTRATION,

Respondent.

FINAL ORDER

THE PARTIES resolved all disputed issues and executed a Settlement Agreement. The parties are directed to comply with the terms of the attached settlement agreement, attached hereto and incorporated herein as **Exhibit "1."** Based on the foregoing, this file is **CLOSED**.

DONE and ORDERED on this the 9th day of November, 2015, in Tallahassee, Florida.



ELIZABETH DUDEK, SECRETARY
Agency for Health Care Administration

A PARTY WHO IS ADVERSELY AFFECTED BY THIS FINAL ORDER IS ENTITLED TO A JUDICIAL REVIEW WHICH SHALL BE INSTITUTED BY FILING ONE COPY OF A NOTICE OF APPEAL WITH THE AGENCY CLERK OF AHCA, AND A SECOND COPY ALONG WITH FILING FEE AS PRESCRIBED BY LAW, WITH THE DISTRICT COURT OF APPEAL IN THE APPELLATE DISTRICT WHERE THE AGENCY MAINTAINS ITS HEADQUARTERS OR WHERE A PARTY RESIDES. REVIEW PROCEEDINGS SHALL BE CONDUCTED IN ACCORDANCE WITH THE FLORIDA APPELLATE RULES. THE NOTICE OF APPEAL MUST BE FILED WITHIN 30 DAYS OF RENDITION OF THE ORDER TO BE REVIEWED.

Michael J. Bittman, Esquire
Broad and Cassel
P.O. Box 4961
Orlando, Florida 32802-4961
(Via U.S. Mail)

Agency for Health Care Administration
Bureau of Finance and Accounting
(Interoffice Mail)

Bureau of Health Quality Assurance
Agency for Health Care Administration
(Interoffice Mail)

Stuart Williams, General Counsel
Agency for Health Care Administration
(Interoffice Mail)

Zainab Day, Medicaid Audit Services
Agency for Health Care Administration
(Interoffice Mail)


Shena Grantham, Chief
Medicaid FFS Counsel
(Interoffice Mail)

Willis F. Melvin, Esquire
Assistant General Counsel
Agency for Health Care Administration
(Via Interoffice Mail)

State of Florida, Division of Administrative
Hearings
The Desoto Building
1230 Apalachee Parkway
Tallahassee, Florida 32399-3060
(Via U.S. Mail)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to the above named addressees by U.S. Mail on this the 12th day of November, 2015.



Richard Shoop, Esquire
Agency Clerk
State of Florida
Agency for Health Care Administration
2727 Mahan Drive, Building #3
Tallahassee, Florida 32308-5403

**STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION**

**THE HEALTH CENTER OF PENSACOLA,
INC. d/b/a THE HEALTH CENTER OF
PENSACOLA,**

Petitioner,

vs.

**Engagement No.: NH04-199J
Provider No.: 229571**

**STATE OF FLORIDA, AGENCY FOR
HEALTH CARE ADMINISTRATION,**

Respondent.

_____ /

SETTLEMENT AGREEMENT

Respondent, **STATE OF FLORIDA, AGENCY FOR HEALTH CARE ADMINISTRATION** (“AHCA” or “the Agency”), and Petitioner, **THE HEALTH CENTER OF PENSACOLA, INC. d/b/a THE HEALTH CENTER OF PENSACOLA,** (“PROVIDER”), by and through the undersigned, hereby stipulate and agree as follows:

1. This Agreement is entered into between the parties to resolve disputed issues arising from examination engagements NH04-199J.
2. At the time of the audit the PROVIDER was a Medicaid provider in the State of Florida operating a nursing home facility that was examined by the Agency.
3. AHCA conducted an examination of the PROVIDER’s cost report as follows: for examination engagement number NH04-199J, AHCA examined the PROVIDER’s cost report covering the examination period ending on September 30, 2001.

4. In its subsequent Examination Report, AHCA notified the PROVIDER that Medicaid reimbursement principles required adjustment of the costs stated in the cost report. The Agency further notified the PROVIDER of the adjustments AHCA was making to the cost report. The Examination Report is attached hereto and incorporated herein as **Exhibit A**.

5. In response to AHCA's Examination Report, the PROVIDER filed a timely petition for administrative hearing, and identified specific adjustments that it appealed. The PROVIDER requested that the Agency hold the petition in abeyance in order to afford the parties an opportunity to resolve the disputed adjustments.

6. Subsequent to the petition for administrative hearing, AHCA and the PROVIDER exchanged documents and discussed the disputed adjustments. As a result of the aforementioned exchanges, the parties agree to accept all of the Agency's adjustments that were subject to these proceedings as set forth in the Examination Report, except for the following adjustments which the parties agree shall be changed or removed as set forth in the attached **Exhibit B**, which is hereby incorporated into this Settlement Agreement by reference.

7. In order to resolve this matter without further administrative proceedings, and to avoid incurring further costs, PROVIDER and AHCA expressly agree the adjustment resolutions, which are listed and incorporated by reference as **Exhibit B** above, completely resolve and settle this case and this agreement constitutes the PROVIDER'S withdrawal of their petition for administrative hearing, with prejudice.

8. After issuance of the Final Order, PROVIDER and AHCA further agree that the Agency shall recalculate the per diem rates for the above-stated examination period and issue a notice of the recalculation. Where the PROVIDER was overpaid, the PROVIDER will reimburse the Agency the full amount of the overpayment within thirty (30) days of such notice.

Where the PROVIDER was underpaid, AHCA will pay the PROVIDER the full amount of the underpayment within forty-five (45) days of such notice.

Payment shall be made to:
AGENCY FOR HEALTH CARE ADMINISTRATION
Medicaid Accounts Receivable – MS #14
2727 Mahan Drive, Building 2, Suite 200
Tallahassee, Florida 32308

Notice to the PROVIDER shall be made to:

Michael J. Bittman, Esquire
Broad and Cassel
P.O. Box 4961
Orlando, Florida 32802-4961

9. Payment shall clearly indicate it is pursuant to a settlement agreement and shall reference the audit/engagement number.

10. PROVIDER agrees that failure to pay any monies due and owing under the terms of this Agreement shall constitute PROVIDER's authorization for the Agency, without further notice, to withhold the total remaining amount due under the terms of this agreement from any monies due and owing to the PROVIDER for any Medicaid claims.

11. The parties are entitled to enforce this Agreement under the laws of the State of Florida, the Rules of the Medicaid Program, and all other applicable law.

12. This settlement does not constitute an admission of wrongdoing or error by the parties with respect to this case or any other matter.

13. Each party shall bear their respective attorneys' fees and costs, if any.

14. The signatories to this Agreement, acting in their representative capacities, are duly authorized to enter into this Agreement on behalf of the party represented.

15. The parties further agree a facsimile or photocopy reproduction of this Agreement shall be sufficient for the parties to enforce the Agreement. The PROVIDER agrees, however, to

forward a copy of this Agreement to AHCA with original signatures, and understands that a Final Order may not be issued until said original Agreement is received by AHCA.

16. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Leon County, Florida.

17. This Agreement constitutes the entire agreement between PROVIDER and the AHCA, including anyone acting for, associated with or employed by them, concerning all matters and supersedes any prior discussions, agreements or understandings; there are no promises, representations or agreements between PROVIDER and the AHCA other than and as set forth herein. This agreement shall not waive any right that PROVIDER may have to contest the notice of recalculation referenced in paragraph 8 above. No modifications or waiver of any provision shall be valid unless a written amendment to the Agreement is completed and properly executed by the parties.

18. This is an Agreement of settlement and compromise, made in recognition that the parties may have different or incorrect understandings, information and contentions, as to facts and law, and with each party compromising and settling any potential correctness or incorrectness of its understandings, information and contentions as to facts and law, so that no misunderstanding or misinformation shall be a ground for rescission hereof.

19. Except with respect to any recalculation(s) described in **Exhibit B**, PROVIDER expressly waives in this matter their right to any hearing pursuant to sections §§120.569 or 120.57, Florida Statutes, the making of findings of fact and conclusions of law by the Agency, and all further and other proceedings to which it may be entitled by law or rules of the Agency regarding these proceedings and any and all issues raised herein, other than enforcement of this


Agreement. The PROVIDER further agrees the Agency shall issue a Final Order, which adopts this Agreement.

20. This Agreement is and shall be deemed jointly drafted and written by all parties to it and shall not be construed or interpreted against the party originating or preparing it.

21. To the extent any provision of this Agreement is prohibited by law for any reason, such provision shall be effective to the extent not so prohibited, and such prohibition shall not affect any other provision of this Agreement.

22. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees.

**THE HEALTH CENTER OF PENSACOLA,
INC. d/b/a THE HEALTH CENTER OF
PENSACOLA**



Providers' Representative

Dated: 7/25/, 2015

Director
Printed Title of Providers' Representative

Dated: 7/25/, 2015


Michael G. Britzman
Legal Counsel for Provider

Dated: 7-30, 2015

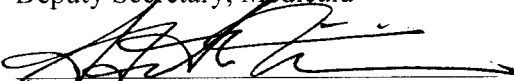
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**FLORIDA AGENCY FOR HEALTH CARE
ADMINISTRATION**

2727 Mahan Drive, Mail Stop #3
Tallahassee, Florida 32308-5403


Justin Senior
Deputy Secretary, Medicaid

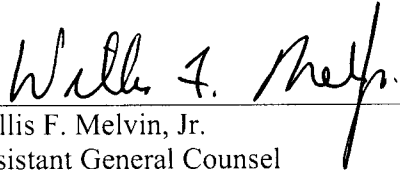
Dated: 11/9, 2015


Stuart Williams
General Counsel

Dated: 10/29, 2015


Shena Grantham
Medicaid FFS Chief Counsel

Dated: 10/19, 2015


Willis F. Melvin, Jr.
Assistant General Counsel

Dated: October 14, 2015

**FLORIDA
MEDICAID**

JEB BUSH, GOVERNOR

ALAN LEVINE, SECRETARY

November 6, 2005
Return Receipt No.
7000 1530 0000 5397 3193

HEALTH CENTER OF PENSACOLA
8475 UNIVERSITY PARKWAY
PENSACOLA, FL 32514

Provider No.: 229571
Audit Period/Engagement No.: September 30, 2001/NH04-199J

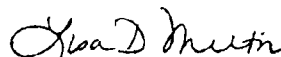
Dear Administrator:

We have completed the audit of your facility's Medicaid cost report for the period specified above. A copy of the audit report is attached for your information.

Audit adjustments result from the application of Medicaid reimbursement principles to costs as reported on the Medicaid cost report for the period specified. You have the right to request a formal or informal hearing pursuant to Section 120.57, Florida Statutes. If a petition for a formal hearing is made, the petition must be made in compliance with Section 28-106.201, Florida Administrative Code. Please note that Section 28-106.201(2) specifies that the petition shall contain a concise discussion of specific items in dispute. Additionally, you are hereby informed that if a request for a hearing is made, the request or petition must be received within twenty-one (21) days of your receipt of this letter, and that failure to timely request a hearing shall be deemed a waiver of your right to a hearing.

Please address all petitions for a hearing and/or questions to 2727 Mahan Drive, Mail Stop 21, Tallahassee, FL. 32308.

Sincerely,



Lisa D. Milton
Administrator of Audit Services
Medicaid Program Analysis
(850) 487-1240

Attachment(s):



2727 Mahan Drive • Mail Stop #21
Tallahassee, FL 32308

Visit AHCA online at
www.fdhc.state.fl.us

Composite Exhibit A

NH04-199J

**The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Medicaid Examination Report
for the year ended September 30, 2001**

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Smiley & Smiley, P.A.

2120 Corporate Square Blvd. Suite 18

Jacksonville, FL 32216

(904) 722-1440 Fax (904) 722-1441

Email: office@smileyandsmileypa.com

Independent Accountants' Report

Secretary

Agency for Health Care Administration:

We have examined the schedules and statistical data as listed in the Table of Contents, which were derived from the Cost Report for Florida Medicaid Program Nursing Home Service Providers (the "Cost Report") of The Health Center of Pensacola, Inc., d/b/a The Health Center of Pensacola (the "Provider"), for the year ended September 30, 2001. These schedules and statistical data are the responsibility of the Provider's management. Our responsibility is to express an opinion on the schedules and statistical data based on our examination.

Except as discussed in the following paragraph, our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and accordingly, included examining on a test basis, evidence supporting the accompanying schedules and statistical data and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

The Provider is reimbursed under the Fair Rental Value System ("FRVS"). Accordingly, property cost information for depreciation, interest and rent included on the Schedule of Costs, equity capital information on the Schedule of Statistics and Equity Capital, capital replacement and equity in capital assets information on the Schedule of Fair Rental Value System Data and related per diem information on the Schedule of Allowable Medicaid Costs and the Schedule of Interim Rates have not been subjected to examination procedures.

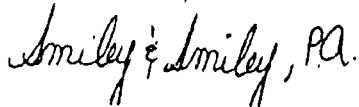
Attachment A to this report includes adjustments which, in our opinion, should be recorded in order for the data, as reported, in the accompanying schedules for the year ended September 30, 2001, to be presented in conformity with federal and state Medicaid reimbursement principles as described in Note 1. To quantify the effect of the required adjustments, we have applied the adjustments as described in Attachment A to the amounts and statistical data, as reported, in the accompanying schedules.

In our opinion, except for the effects of such adjustments as might have been determined to be necessary had amounts and data described in the third paragraph above been examined, and for the effects of not recording adjustments as discussed in the preceding paragraph, the accompanying schedules and statistical data listed in the

Table of Contents present, in all material respects, the amounts and statistical data derived from the cost report of The Health Center of Pensacola, Inc. d/b/a The Health Center of Pensacola for the year ended September 30, 2001, in conformity with federal and state Medicaid reimbursement principles as described in Note 1.

This report is intended solely for the information and use of the State of Florida Agency for Health Care Administration and management of The Health Center of Pensacola, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

November 18, 2004

A handwritten signature in cursive script that reads "Smiley & Smiley, PA." The signature is written in black ink and is positioned above the printed name of the firm.

Smiley & Smiley, PA
Jacksonville, Florida

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Costs
for the year ended September 30, 2001

<u>Cost Center Totals</u>	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Costs to be allocated:			
Plant operations	\$ 403,069	\$ (24,833)	\$ 378,236
Housekeeping	275,026	(1,847)	273,179
	678,095	(26,680)	651,415
Administration	902,148	(38,294)	863,854
Owner's administrative compensation	-	-	-
	<u>1,580,243</u>	<u>(64,974)</u>	<u>1,515,269</u>
Allowable ancillary cost centers:			
Physical therapy	182,663	(1,411)	181,252
Speech therapy	60,279	(470)	59,809
Occupational therapy	115,228	(855)	114,373
Audiological therapy	-	-	-
Medical supplies	41,501	-	41,501
Other	47,593	(83)	47,510
	<u>447,264</u>	<u>(2,819)</u>	<u>444,445</u>
Patient care costs:			
Nursing	3,728,954	(34,608)	3,694,346
Dietary	813,244	(5,268)	807,976
Oxygen	-	-	-
Other	522,317	(2,931)	519,386
	<u>5,064,515</u>	<u>(42,807)</u>	<u>5,021,708</u>
Laundry and linen costs	<u>152,974</u>	<u>(921)</u>	<u>152,053</u>
Property costs:			
Depreciation (not examined)	431,328	-	431,328
Interest on property (not examined)	662,384	-	662,384
Rent on property (not examined)	1,816	1,035	2,851
Insurance on property	22,262	-	22,262
Taxes on property	58,072	(5,089)	52,983
Home office property	-	-	-
	<u>1,175,862</u>	<u>(4,054)</u>	<u>1,171,808</u>
Nonallowable ancillary cost centers:			
Radiology	19,418	-	19,418
Lab	27,039	-	27,039
Pharmacy	20,378	-	20,378
Other	-	-	-
	<u>66,835</u>	<u>-</u>	<u>66,835</u>
Other nonreimbursable cost centers:			
Beauty and barber	18,455	-	18,455
Gift shop	-	-	-
Clinic	-	-	-
Other	-	-	-
	<u>18,455</u>	<u>-</u>	<u>18,455</u>
Total operating costs	8,506,148	(115,575)	8,390,573
Medicaid bad debts	-	-	-
Total costs	<u>\$ 8,506,148</u>	<u>\$ (115,575)</u>	<u>\$ 8,390,573</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Charges
for the year ended September 30, 2001

	As Reported	Increase (Decrease)	As Adjusted
Usual and customary daily rate	\$ 148.03	\$ 0.05	\$ 148.08
Patient Charges:			
Medicaid:			
Ancillary cost centers:			
Physical therapy	\$ 23,658	\$ -	\$ 23,658
Speech therapy	14,329	-	14,329
Occupational therapy	12,446	-	12,446
Audiological therapy	-	-	-
Medical supplies	54,979	-	54,979
Other	15,757	432	16,189
Room and board	5,750,216	-	5,750,216
Other	-	-	-
Totals	5,871,385	432	5,871,817
Medicare:			
Ancillary cost centers:			
Physical therapy	311,267	-	311,267
Speech therapy	94,175	-	94,175
Occupational therapy	295,245	-	295,245
Audiological therapy	-	-	-
Medical supplies	20,569	-	20,569
Other	35,302	18,491	53,793
Room and board	1,210,173	-	1,210,173
Other	-	-	-
Totals	1,966,731	18,491	1,985,222
Private and other:			
Ancillary cost centers:			
Physical therapy	46,410	-	46,410
Speech therapy	20,783	-	20,783
Occupational therapy	42,550	-	42,550
Audiological therapy	-	-	-
Medical supplies	15,905	-	15,905
Other	10,085	630	10,715
Room and board	1,434,222	-	1,434,222
Other	-	-	-
Totals	1,569,955	630	1,570,585
Total charges	\$ 9,408,071	\$ 19,553	\$ 9,427,624

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Statistics and Equity Capital
for the year ended September 30, 2001

	As Reported	Increase (Decrease)	As Adjusted
<u>Statistics:</u>			
Number of beds	180	-	180
Patient Days:			
Medicaid	46,110	-	46,110
Medicare	7,737	-	7,737
Private and other	10,606	-	10,606
Total patient days	64,453	-	64,453
Percent Medicaid	71.541%	0.000%	71.541%
Facility square footage:			
Allowable ancillary cost centers:			
Physical therapy	1,860	-	1,860
Speech therapy	894	-	894
Occupational therapy	1,350	-	1,350
Audiological therapy	-	-	-
Medical supplies	339	-	339
Other	299	-	299
Patient care	40,607	-	40,607
Laundry and linen	1,033	-	1,033
Radiology	-	-	-
Lab	-	-	-
Pharmacy	146	-	146
Other nonallowable ancillary	-	-	-
Beauty and barber	148	-	148
Gift shop	-	-	-
Clinic	-	-	-
Other nonreimbursable	-	-	-
Total facility square footage	46,676	-	46,676
<u>Equity Capital (not examined):</u>			
Ending equity capital	\$ (592,266)	\$ -	\$ (592,266)
Average equity capital	\$ -	\$ -	\$ -
Annual rate of return	0.000%	5.490%	5.490%
Return on equity before apportionment	\$ -	\$ -	\$ -

Type of ownership: Corporation
Date cost report accepted: March 5, 2002

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Allowable Medicaid Costs
for the year ended September 30, 2001

<u>Total Costs:</u>			
<u>Reimbursement Class</u>	<u>Costs as Adjusted</u>	<u>Allocations and Apportionment (Note 2)</u>	<u>Costs After Allocations and Apportionment</u>
Operating	\$ 1,667,322	\$ (567,263)	\$ 1,100,059
Patient care	5,466,153	(1,817,305)	3,648,848
Property (not examined)	1,171,808	(333,528)	838,280
Nonreimbursable	85,290	2,718,096	2,803,386
Totals (Page 3)	8,390,573	-	8,390,573
Return on equity (Page 5) (not examined)	-	-	-
Non-Medicaid	-	-	-
Totals	\$ 8,390,573	\$ -	\$ 8,390,573

Allowable Medicaid Costs:

<u>Reimbursement Class</u>	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Operating	\$ 1,144,254	\$ (44,195)	\$ 1,100,059
Patient care	3,682,647	(33,799)	3,648,848
Property (not examined)	841,046	(2,766)	838,280
Return on equity (not examined)	-	-	-
Totals	\$ 5,667,947	\$ (80,760)	\$ 5,587,187

Allowable Medicaid Per Diem Costs:

<u>Reimbursement Class</u>	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Operating	\$ 24.82	\$ (0.96)	\$ 23.86
Patient care	79.87	(0.74)	79.13
Property (not examined)	18.24	(0.06)	18.18
Return on equity (not examined)	-	-	-
Initial Medicaid per diem (Note 3)	\$ 122.93	\$ (1.76)	\$ 121.17

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Interim Rate Cost Settlement Data
for the year ended September 30, 2001

Reason for interim rate:	Change of Ownership	
Effective date for interim rate change:	October 1, 2000	
Ending date for the interim rate period:	September 30, 2001	
Medicaid patient days during the interim rate period:		46,110
Total patient days during the interim period		64,453
Date component interim rate costs were first incurred		N/A
Cost incurred during the interim rate period (note 5):		
Direct patient cost during interim rate period	\$	2,282,395
Inirect patient cost during interim rate period		1,366,453
Operating cost during interim rate period		1,100,059
Property cost during interim rate period (not examined)		838,280
Return to equity during interim rate period (not examined)		-
Total Interim Rate cost incurred during cost report period:		<u>\$ 5,587,187</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Fair Rental Value System Data
for the year ended September 30, 2001

<u>Capital Additions and Improvements:</u>	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Acquisition costs:			
10/01/00 to 12/31/00	\$ -	\$ -	\$ -
01/01/01 to 06/30/01	-	-	-
07/01/01 to 09/30/01	-	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Original loan amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Retirements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Capital Replacements (not examined):</u>			
Acquisition costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Original loan amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Pass-through costs (Note 4)			
Acquisitions:			
10/01/00 To 9/30/01			
Depreciation	\$ -	\$ -	\$ -
Interest	-	-	-
Prior to 10/01/00	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>Equity in Capital Assets (not examined):</u>			
Ending equity in capital assets	<u>\$ (720,779)</u>	<u>\$ -</u>	<u>\$ (720,779)</u>
Average equity in capital assets	<u>\$ (390,422)</u>	<u>\$ -</u>	<u>\$ (390,422)</u>
Annual rate of return	<u>0.000%</u>	<u>5.490%</u>	<u>5.490%</u>
Return on equity in capital assets before apportionment	<u>\$ -</u>	<u>\$ (21,434)</u>	<u>\$ (21,434)</u>
Return on equity in capital assets apportioned to Medicaid	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>

Mortgage Information

No Mortgage

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Direct Patient Care
for the year ended September 30, 2001

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
RN Data (note 6)			
Productive Salaries	\$ 320,336	\$ -	\$ 320,336
Non-Productive Salaries	10,262	-	10,262
Total Salaries	<u>\$ 330,598</u>	<u>\$ -</u>	<u>\$ 330,598</u>
FICA	\$ 27,478	\$ 1,079	\$ 28,557
Unemployment Insurance	-	-	-
Health Insurance	13,363	524	13,887
Workers Compensation	20,993	(2,447)	18,546
Other Fringe Benefits	4,241	(2,937)	1,304
Total Benefits	<u>\$ 66,075</u>	<u>\$ (3,781)</u>	<u>\$ 62,294</u>
Productive Hours	15,871	-	15,871
Non-Productive Hours	644	-	644
Total Hours	<u>16,515</u>	<u>-</u>	<u>16,515</u>
LPN Data			
Productive Salaries	\$ 818,588	\$ -	\$ 818,588
Non-Productive Salaries	23,629	-	23,629
Total Salaries	<u>\$ 842,217</u>	<u>\$ -</u>	<u>\$ 842,217</u>
FICA	\$ 70,002	\$ 2,748	\$ 72,750
Unemployment Insurance	-	-	-
Health Insurance	34,042	1,337	35,379
Workers Compensation	53,480	(6,234)	47,246
Other Fringe Benefits	10,805	(7,482)	3,323
Total Benefits	<u>\$ 168,329</u>	<u>\$ (9,631)</u>	<u>\$ 158,698</u>
Productive Hours	48,270	-	48,270
Non-Productive Hours	1,664	-	1,664
Total Hours	<u>49,934</u>	<u>-</u>	<u>49,934</u>
CNA Data			
Productive Salaries	\$ 1,482,678	\$ -	\$ 1,482,678
Non-Productive Salaries	29,021	-	29,021
Total Salaries	<u>\$ 1,511,699</u>	<u>\$ -</u>	<u>\$ 1,511,699</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Direct Patient Care
for the year ended September 30, 2001

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
CNA Data (note 6) continued			
FICA	\$ 125,646	\$ 4,933	\$ 130,579
Unemployment Insurance	-	-	-
Health Insurance	61,102	2,399	63,501
Workers Compensation	95,991	(11,188)	84,803
Other Fringe Benefits	19,394	(13,430)	5,964
Total Benefits	<u>\$ 302,133</u>	<u>\$ (17,286)</u>	<u>\$ 284,847</u>
Productive Hours	133,575	-	133,575
Non-Productive Hours	3,525	-	3,525
Total Hours	<u>137,100</u>	<u>-</u>	<u>137,100</u>
Agency Data			
RN	\$ -	\$ -	\$ -
LPN	-	-	-
CNA	-	-	-
Total Agency Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency Data			
RN	-	-	-
LPN	-	-	-
CNA	-	-	-
Total Agency Hours	<u>-</u>	<u>-</u>	<u>-</u>
Pediatric Offset - RN Data			
Productive Salaries	\$ -	\$ -	\$ -
Non-Productive Salaries	-	-	-
Total Salaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Productive Hours	-	-	-
Non-Productive Hours	-	-	-
Total Hours	<u>-</u>	<u>-</u>	<u>-</u>
Pediatric Offset - LPN Data			
Productive Salaries	\$ -	\$ -	\$ -
Non-Productive Salaries	-	-	-
Total Salaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Direct Patient Care
for the year ended September 30, 2001

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Pediatric Offset (LPN Data continued)			
Productive Hours	-	-	-
Non-Productive Hours	-	-	-
Total Hours	<u>-</u>	<u>-</u>	<u>-</u>
Pediatric Offset - CNA Data			
Productive Salaries	\$ -	\$ -	\$ -
Non-Productive Salaries	-	-	-
Total Salaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Productive Hours			
Productive Hours	-	-	-
Non-Productive Hours	-	-	-
Total Hours	<u>-</u>	<u>-</u>	<u>-</u>
Pediatric Offset - Agency Data			
RN	\$ -	\$ -	\$ -
LPN	-	-	-
CNA	-	-	-
Total Agency Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Pediatric Offset - Agency Data			
RN	-	-	-
LPN	-	-	-
CNA	-	-	-
Total Agency Hours	<u>-</u>	<u>-</u>	<u>-</u>
AIDS Offset - RN Data			
Productive Salaries	\$ -	\$ -	\$ -
Non-Productive Salaries	-	-	-
Total Salaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Productive Hours			
Productive Hours	-	-	-
Non-Productive Hours	-	-	-
Total Hours	<u>-</u>	<u>-</u>	<u>-</u>
AIDS Offset - LPN Data			
Productive Salaries	\$ -	\$ -	\$ -
Non-Productive Salaries	-	-	-
Total Salaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Direct Patient Care
for the year ended September 30, 2001

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
AIDS Offset (LPN Data continued)			
Productive Hours	-	-	-
Non-Productive Hours	-	-	-
Total Hours	<u>-</u>	<u>-</u>	<u>-</u>
AIDS Offset - CNA Data			
Productive Salaries	\$ -	\$ -	\$ -
Non-Productive Salaries	-	-	-
Total Salaries	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Productive Hours	-	-	-
Non-Productive Hours	-	-	-
Total Hours	<u>-</u>	<u>-</u>	<u>-</u>
AIDS Offset - Agency Data			
RN	\$ -	\$ -	\$ -
LPN	-	-	-
CNA	-	-	-
Total Agency Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
AIDS Offset - Agency Data			
RN	-	-	-
LPN	-	-	-
CNA	-	-	-
Total Agency Hours	<u>-</u>	<u>-</u>	<u>-</u>
Data for All Departments			
Total Salaries	<u>\$ 4,633,978</u>	<u>\$ (175,045)</u>	<u>\$ 4,458,933</u>
FICA	\$ 385,158	\$ -	\$ 385,158
Unemployment Insurance	-	-	-
Health Insurance	187,304	-	187,304
Workers Compensation	294,252	(44,117)	250,135
Other Fringe Benefits	59,450	(41,858)	17,592
Total Benefits	<u>\$ 926,164</u>	<u>\$ (85,975)</u>	<u>\$ 840,189</u>
Patient Days Data			
Medicaid Patient Days	<u>46,110</u>	<u>-</u>	<u>46,110</u>
Total Patient Days	<u>64,453</u>	<u>-</u>	<u>64,453</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Notes to Schedules
for the year ended September 30, 2001

Note 1 - Basis of Presentation

The schedules, which were derived from the Cost Report for Florida Medicaid Program Nursing Home Service Providers (Cost Report) for the current period, have been prepared in conformity with federal and state Medicaid reimbursement principles as specified in the State of Florida Medicaid Program as defined by applicable cost and reimbursement principles, policies, and regulations per Medicaid principles of reimbursement as interpreted by the Provider Reimbursement Manual (CMS-Pub. 15-1), Florida Title XIX Long-Term Care Reimbursement Plan, and the State of Florida's Agency for Health Care Administration Audit Services Medicaid Procedures Manual. The format and content of the information included in the schedules have been developed by the State of Florida's Agency for Health Care Administration Audit Services.

The balances in the "As Reported" columns of the schedules are the assertions and responsibility of the management of the nursing home. The balances in the "As Adjusted" columns are the result of applying the adjustments reflected in the "Increase (Decrease)" columns to the balances in the "As Reported" columns.

Note 2 - Allocations and Apportionment

Schedules G, G-1 and H of the cost report allocate allowable administration, plant operation and housekeeping costs to allowable and nonallowable ancillary, patient care, laundry and linen and nonreimbursable cost centers based on predetermined statistical bases, such as square footage or total costs, as explained in the cost report. These schedules then apportion allowable costs after allocations to the Medicaid program based on other statistical bases, such as patient days or ancillary charges, as explained in the cost report. The net effect of such allocations and apportionments on each reimbursement class is presented in the Schedule of Allowable Medicaid Costs.

Note 3 - Initial Medicaid Per Diem

Allowable Medicaid per diem costs for property and return on equity have not been calculated under the provisions of the applicable revision of the Florida Title XIX Long-Term Care Reimbursement Plan, and fair rental value provisions have not been applied. The effect, if any, of the fair rental value system, will be determined during the rate setting process, in where applicable, prospective rates will be calculated by applying inflation factors, incentives, low utilization penalties and reimbursement ceilings.

Note 4 - Capital Replacement Pass-Through Costs

Capital replacement pass-through costs in the form of depreciation and interest are presented without regard to the number of years remaining, if any, to full fair rental value system phase-in. Accordingly, pass-through reimbursement will be calculated based on amounts equal to or less than fifty percent of the costs presented herein as capital replacement pass-through costs. Once full fair rental value system phase-in has occurred no capital replacement costs are allowed to be passed through.

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Notes to Schedules
for the year ended September 30, 2001

Note 5 - Interim Rate Cost Settlement

The Florida Title XIX Long-Term Care Reimbursement Plan stipulates that provider reimbursement, which is based on budgeted cost projections, will be subject to cost settlement. The amount of such settlement will be based on the difference between the budgeted interim rate paid for the cost reporting period, and the related actual costs incurred, stated as per diem. The Schedule of Interim Rate Cost Settlement Data presented herein will be used as the basis for determining any amounts due to or due from the Provider.

Note 6 - Direct Patient Care

The Schedule of Direct Patient Care which was derived from the Cost Report for Florida Medicaid Program Nursing Home Service Providers (Cost Report) for the current period, has been prepared in conformity with federal and state Medicaid reimbursement principles as specified in the State of Florida Medicaid Program as defined by applicable cost and reimbursement principles, policies, and regulations per Medicaid principles of reimbursement as interpreted by the Provider Reimbursement Manual (CMS-Pub. 15-1), Florida Title XIX Long-Term Care Reimbursement Plan, and the State of Florida's Agency for Health Care Administration Audit Services Medicaid Procedures Manual.

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

The following adjustments, which are included in the Schedule of Costs and those affecting ending equity capital in the Schedule of Statistics and Equity Capital, are supported by explanations and authoritative citations. All other adjustments presented herein are in accordance with Chapter 2300, primarily Section 2304, Adequacy of Cost Information, CMS-Pub. 15-1. Adjustments to the Schedule of Direct Patient Care are in accordance with Florida Title XIX Long-Term Care Reimbursement Plan Section V, B.

Classification	Account Number	Comment	Increase (Decrease)
<u>Adjustments affecting costs (Page 3)</u>			
<u>Plant operation:</u>			
1. Utilities	7242406985	To offset other income against related expenses. (Section 2105.2, 2102.3, and 2305.2, CMS Pub. 15-1)	\$ (6,556)
2. Worker's compensation	7242406695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(738)
3. Repair & maint - equipment	7242407100	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(1,508)
4. Repair & maint - building	7242407105	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(1,386)
5. Small equipment	7242407130	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(1,010)
6. Small equipment	7242407130	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(5,240)
7. Repair & maint - building	7242407105	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(4,779)
8. Small equipment	7242407130	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(3,616)
			<u>\$ (24,833)</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

Classification	Account Number	Comment	Increase (Decrease)
<u>Housekeeping:</u>			
9. Worker's compensation	7242606695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	\$ (1,847)
			<u>\$ (1,847)</u>
<u>Administration:</u>			
10. Public relations	7258606790	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	\$ (6,881)
11. Public relations	7258606790	To disallow costs not related to patient care. (Section 2100 and 2102.3, CMS Pub. 15-1)	\$ (17,809)
12. Legal expense	7258607055	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(2,180)
13. Worker's compensation	7258606695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(2,906)
14. Other taxes-licenses	7258607160	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(8,280)
15. Sales & use tax	7258607165	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(564)
16. Interest expense - long term	9580009005	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(3,875)
17. Interest expense - short term	9580009010	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	3,875

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

Classification	Account Number	Comment	Increase (Decrease)
<u>Administration (continued):</u>			
18. Interest expense - short term	9580009010	To disallow interest expense paid to related parties. (Section 218.1 and 202.3, CMS Pub. 15-1)	(4,120)
19. Interest expense - short term	9580009010	To disallow late fees. (Section 2304 and 2102.1, CMS Pub. 15-1)	\$ (2,310)
20. Salaries & wages	7258606500	To adjust owner's compensation. (Section 900, CMS Pub. 15-1)	7,318
21. Small equipment	7258607130	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(553)
22. Repair & maintenance - office equipment	7258607100	To disallow expense not related to patient care. (Section 2135, CMS Pub. 15-1)	(9)
			<u>\$ (38,294)</u>
<u>Allowable ancillary:</u>			
23. Worker's compensation	7040606695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	\$ (855)
24. Worker's compensation	7040606695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(470)
25. Worker's compensation	7040706695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(1,411)
26. Worker's compensation	7040506695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(83)
			<u>\$ (2,819)</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

Classification	Account Number	Comment	Increase (Decrease)
<u>Patient care:</u>			
27. Equipment rental	7240206980	To reclassify expenses/costs to the proper cost center. (Section 2302.8, CMS Pub. 15-1)	\$ (1,035)
28. Worker's compensation	7240206695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	\$ (29,479)
29. Worker's compensation	7242006695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(1,117)
30. Worker's compensation	7242106695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(640)
31. Worker's compensation	7242206695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(3,226)
32. Worker's compensation	7242806695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15-1)	(424)
33. Small equipment	7240207130	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(3,040)
34. Small equipment	7242007130	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(750)
35. Repair & maint - equipment	7242207100	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(975)
36. Small equipment	7240207130	To disallow capitalized equipment/capital assets expensed by provider. (Section 108.1, CMS Pub. 15-1)	(1,054)

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

Classification	Account Number	Comment	Increase (Decrease)
<u>Patient care (continued):</u>			
37. Repair & maint - equipment	7242207100	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(1,067)
			\$ (42,807)
<u>Laundry and linen:</u>			
38. Worker's compensation	7240406695	To adjust costs to examined amount. (Section 2304 and 2102.1, CMS Pub. 15)	\$ (921)
			\$ (921)
<u>Property:</u>			
39. Equipment rental	7240206980	To reclassify expenses/costs to the proper cost center. (Section 2302.8, CMS Pub. 15-1)	\$ 1,035
40. Real estate taxes	7258607150	To disallow expenses/costs due to a lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(5,089)
			\$ (4,054)
Net adjustments affecting costs			\$ (115,575)

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

Classification	Account Number	Comment	Increase (Decrease)
<u>Adjustments Affecting Direct Patient Care (Pages 9 -12)</u>			
<u>FICA</u>			
41. RN	XXXX	To adjust cost to examined amount. (Florida Title XIX Long- Term Care Reimbursement Plan, Section V, B.)	\$ 1,079
LPN	XXXX		2,748
CNA	XXXX		4,933
			<u>\$ 8,760</u>
Classification	Account Number	Comment	Increase (Decrease)
<u>Health insurance:</u>			
42. RN	XXXX	To adjust cost to examined amount. (Florida Title XIX Long- Term Care Reimbursement Plan, Section V, B.)	\$ 524
LPN	XXXX		1,337
CNA	XXXX		2,399
			<u>\$ 4,260</u>
<u>Worker's compensation:</u>			
43. RN	XXXX	To adjust cost to examined amount. (Florida Title XIX Long- Term Care Reimbursement Plan, Section V, B.)	\$ (2,447)
LPN	XXXX		(6,234)
CNA	XXXX		(11,188)
			<u>\$ (19,869)</u>
<u>Adjustments Affecting Direct Patient Care (Pages 9 and 10) continued:</u>			
<u>Agency hours:</u>			
44. RN	XXXX	To adjust hours to examined amount. (Florida Title XIX Long-Term Care Reimbursement Plan, Section V, B.)	(2,937)
LPN	XXXX		(7,482)
CNA	XXXX		(13,430)
			<u>(23,849)</u>
<u>Total all department adjustments:</u>			
45. Total salaries	XXXX	To adjust cost to examined amount. (Florida Title XIX Long- Term Care Reimbursement Plan, Section V, B.)	\$ (175,045)
Total worker's compensation	XXXX		(44,117)
Total other fringe benefits	XXXX		(41,858)
			<u>\$ (261,020)</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

Classification	Account Number	Comment	Increase (Decrease)
<u>Adjustments affecting revenue (page 4)</u>			
46. Usual and customary daily rate		To adjust to examined amount. (Section 2304, CMS Pub 15-1)	\$ 0.05
<u>Patient Charges</u>			
<u>Medicaid:</u>			
47. Other ancillary		To adjust charges based on examined charges. (Section 2202.1, CMS Pub. 15-1)	\$ 432
<u>Medicare:</u>			
48. Other ancillary		To adjust charges based on examined charges. (Section 2202.1, CMS Pub. 15-1)	18,491
<u>Private & other:</u>			
49. Other ancillary		To adjust charges based on examined charges. (Section 2202.1, CMS Pub. 15-1)	630
Net adjustments affecting revenue			<u>\$ 19,553</u>

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

Classification	Account Number	Comment	Increase (Decrease)
Average equity capital			\$ -
<u>Adjustments affecting statistics (Page 5)</u>			
<u>Facility square footage:</u>			
Physical therapy		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Speech therapy		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Occupational therapy		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Audiological therapy		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Medical supplies		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Other ancillary		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Patient care		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Laundry and linen		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Radiology		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Lab		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Pharmacy		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Other nonallowable ancillary		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Beauty and barber		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Gift shop		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Clinic		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Other nonreimbursable		To adjust to actual. (Sections 2102.3 and 2304, CMS-Pub. 15-1)	-
Net adjustments to facility square footage			-

The Health Center of Pensacola, Inc
d/b/a The Health Center of Pensacola
Schedule of Adjustments
for the year ended September 30, 2001

Attachment A

The following adjustments reported in the Schedule of Fair Rental Value System Data are in accordance with the fair rental value system provisions of the Florida Title XIX Long-Term Care Reimbursement Plan and, where appropriate, the applicable sections of Chapters 100, Depreciation, and 2300, Adequate Cost Data and Cost Findings of the Provider Reimbursement Manual (CMS-Pub. 15-1). The Provider has been furnished with schedules developed during the course of the examination which detail allowable components of the fair rental value system.

<u>Classification</u>	<u>Increase (Decrease)</u>
<u>Fair Rental Value System Data:</u>	
<u>Capital Additions</u>	
1. Acquisition costs	\$ -
2. Retirements (not examined)	\$ -
<u>Capital Replacements (not examined)</u>	
3. Acquisition costs	\$ -
4. Pass-through costs	\$ -
<u>Equity in Capital Assets (not examined)</u>	
5. Ending equity	\$ -
6. Average equity	\$ -
7. Return on equity before apportionment	\$ -
8. Return on equity apportioned to Medicated	\$ (21,434)
	\$ -

August 20, 2014

Zainab Day
Acting Administrator
Audit Services
Agency for Health Care Administration
2727 Mahan Drive, MS #21
Tallahassee, FL 32308

RE: Health Center of Pensacola
Audit Period/Engagement No.: September 30, 2001 / NH04-199J

Revisions to Sch. of Costs Adjustment Nos. 8, and 14

Adjustment No.	From	To
8	(3,616)	-
14	(8,280)	-

Note interest expense is already shown in the Admin cost center and not Property