

STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION

FILED
AHCA
AGENCY CLERK

2016 APR 11 P 1:09

DOS OF HIALEAH, INC. D/B/A
HILEAH SHORES NURSING & REHAB CENTER

Petitioner,

CASE NO.: 13-4134
Engagement No: NH04-131S
PROVIDER ID NO.: 250988

vs.

RENDITION NO.: AHCA-16-0220 -S-MDA

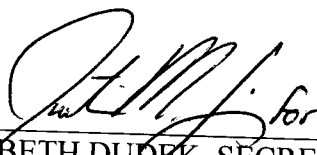
STATE OF FLORIDA,
AGENCY FOR HEALTH CARE ADMINISTRATION,

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. Based on the foregoing, this file is **CLOSED**.

DONE and ORDERED on this the 7th day of April, 2016, 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.

Copies furnished to:

Kelly Bennett
Agency for Health Care Administration
Chief of Medicaid Program
Kelly.Bennett@ahca.myflorida.com
(electronic mail)

Theodore E. Mack, Esquire
Powell & Mark, P.A.
803 North Calhoun Street
Tallahassee, Florida 32303
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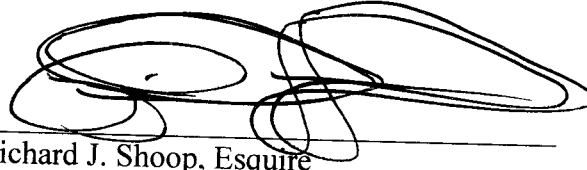
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Agency for Health Care Administration
Bureau of Health Quality Assurance
(electronic mail)

Agency for Health Care Administration
Bureau of Finance & Accounting
(electronic 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 or other designated method on this the 11th day of April, 2016



Richard J. Shoop, Esquire
Agency Clerk
State of Florida
Agency for Health Care Administration
2727 Mahan Drive, MS #3
Tallahassee, Florida 32308-5403
(850) 412-3689/FAX (850) 921-0158



RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

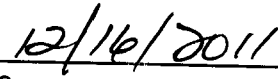
DELEGATION OF AUTHORITY
To Execute
FINAL ORDERS related to cost reports

I specifically delegate the authority to execute Final Orders related to cost reports to Justin Senior, Deputy Secretary for Medicaid, or his delegate.

This delegation of authority shall be valid from December 16, 2011, until revoked by the Secretary.



Elizabeth Dudek, Secretary



Date



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

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES
NURSING & REHAB CENTER,**

Petitioner,

vs.

**Case No.: 13-4134
Engagement No.: NH04-131S
Provider No: 250988**

**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, **DOS OF HIALEAH, INC. d/b/a HIALEAH SHORES NURSING & REHAB CENTER**, (“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 **NH04-131S**.
2. The PROVIDER is 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 **NH04-131S**, AHCA examined the PROVIDER’s cost report covering the examination period ending on August 31, 2000.
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:

Theodore E. Mack, Esq.,
Powell & Mack,
803 North Calhoun Street,
Tallahassee, FL 32303

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 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 AHCA other than as set forth herein. 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.

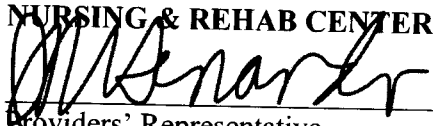
19. Except with respect to any recalculation(s) described in **Exhibit B**, PROVIDER expressly waives in this matter their right to any hearing pursuant to sections §§120.569 or 120.57, Florida Statutes, the making of findings of fact and conclusions of law by the Agency, and all further and other proceedings 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.

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES
NURSING & REHAB CENTER**



Providers' Representative

Dated: 02/03/16, 2016

CFO

Printed Title of Providers' Representative

Dated: _____, 2016

Theodore E. Mack

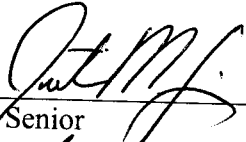
Legal Counsel for Provider

Dated: 02/03/16, 2016

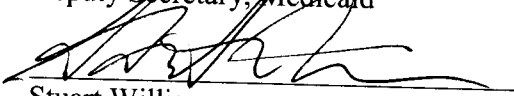
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**FLORIDA AGENCY FOR HEALTH CARE
ADMINISTRATION**

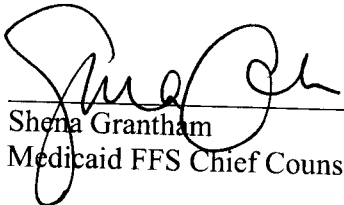
2727 Mahan Drive, Mail Stop #3
Tallahassee, Florida 32308-5403


Justin Senior
Deputy Secretary, Medicaid

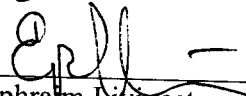
Dated: 4/7, 2016


Stuart Williams
General Counsel

Dated: 7/3, 2016


Shona Grantham
Medicaid FFS Chief Counsel

Dated: 2/29, 2016


Ephraim Livingston
Assistant General Counsel

Dated: February 3, 2016

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER**

MEDICAID AUDIT REPORT

FOR THE SEVEN MONTHS ENDED

AUGUST 31, 2000

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
MEDICAID AUDIT REPORT
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000**

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SHARPTON, BRUNSON & COMPANY, P.A.

Certified Public Accountants & Business Consultants

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Miami, Florida 33131
Telephone: (305) 374-1574
Facsimile: (305) 372-8161

110 East Broward Boulevard
Suite 1950
Fort Lauderdale, Florida 33330
Telephone: (954) 467-5490
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Website: www.sbcepa.com

215 South Monroe Street
Suite 600
Tallahassee, Florida 32301
Telephone: (850) 224-2994
Facsimile: (850) 224-0099

Independent Accountants' Report

To the Secretary
Agency for Health Care Administration

We have examined the amounts and statistical data in the accompanying schedules, 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 DOS of Hialeah, Inc. d/b/a Hialeah Shores Nursing & Rehab Center (the "Provider"), for the seven months ended August 31, 2000. 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.

Our examination was conducted 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.

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 seven months ended August 31, 2000, to be presented in conformity with federal and state Medicaid reimbursement principles described in Note 1. To quantify the effect of the required adjustments, we have applied the adjustments described in Attachment A to the amounts and statistical data, as reported, in the accompanying schedules.

In our opinion, except for the effects of not recording adjustments for the matters referred to in the preceding paragraph, the amounts and statistical data derived from the cost report of DOS of Hialeah, Inc. d/b/a Hialeah Shores Nursing & Rehab Center, for the seven months ended August 31, 2000, are presented, in all material respects, 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's Agency for Health Care Administration and management of DOS of Hialeah, Inc. d/b/a Hialeah Shores Nursing & Rehab Center, and is not intended to be and should not be used by anyone other than these specified parties.

Sharpton Brunson & Company P.A.

May 14, 2004

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF COSTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

Cost Center Totals	As Reported	Increase (Decrease)	As Adjusted
Costs to be Allocated:			
Plant Operation	\$ 125,362	\$ (316)	\$ 125,046
Housekeeping	88,276	(4,270)	84,006
Administration	213,638	(4,586)	209,052
Owner's Administrative Compensation	303,477	(133,203)	170,274
	<u>517,115</u>	<u>(137,789)</u>	<u>379,326</u>
Allowable Ancillary Costs:			
Physical Therapy	20,162		20,162
Speech Therapy	5,271		5,271
Occupational Therapy	20,675		20,675
Audiological Therapy			20,675
Medical Supplies		573	573
Other			573
	<u>46,108</u>	<u>573</u>	<u>46,681</u>
Patient Care Costs:			
Nursing	890,039	(66,918)	823,121
Dietary	252,278	(6,704)	245,574
Oxygen			245,574
Other	72,822	(1,990)	70,832
	<u>1,215,139</u>	<u>(75,612)</u>	<u>1,139,527</u>
Laundry and Linen Costs			
	<u>25,390</u>		<u>25,390</u>
Property Costs:			
Depreciation		87,500	87,500
Interest on Property			87,500
Rent of Property	168,000	(168,000)	
Insurance on Property	12,482	(3,936)	8,546
Taxes on Property	24,685	(12,340)	12,345
Home Office Property	3,542		3,542
	<u>208,709</u>	<u>(96,776)</u>	<u>111,933</u>
Non-Allowable Ancillary Costs:			
Radiology	2,352		2,352
Lab	2,318		2,318
Pharmacy	6,658		6,658
Other			6,658
	<u>11,328</u>		<u>11,328</u>
Other Non-Reimbursable Costs:			
Beauty and barber			
Gift Shop			
Clinic			
	<u> </u>		<u> </u>
	<u> </u>		<u> </u>
Total Operating Costs	2,023,789	(309,604)	1,714,185
Medicaid bad debts			1,714,185
Total Costs	<u>\$ 2,023,789</u>	<u>\$ (309,604)</u>	<u>\$ 1,714,185</u>

The accompanying notes are an integral part of this schedule.

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF CHARGES
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Usual and Customary Daily Rate	\$ <u>125.90</u>	\$ <u>(7.66)</u>	\$ <u>118.24</u>
Patient Charges:			
Medicaid:			
Ancillary Cost Centers:	\$	\$	\$
Physical Therapy			
Speech Therapy			
Occupational Therapy			
Medical Supplies			
Other	3,567	(2,708)	859
Room and Board			
Totals	<u>2,982,099</u>	<u>(185,581)</u>	<u>2,796,518</u>
	<u>2,985,666</u>	<u>(188,289)</u>	<u>2,797,377</u>
Medicare:			
Ancillary Cost Centers:			
Physical Therapy	108,241		108,241
Speech Therapy			
Occupational Therapy	107,607		107,607
Medical Supplies	15,210		15,210
Other			
Room and Board			
Totals	<u>528,977</u>		<u>528,977</u>
	<u>760,035</u>		<u>760,035</u>
Private and Other:			
Ancillary Cost Centers:			
Physical Therapy	1,020		1,020
Speech Therapy			
Occupational Therapy	960		960
Medical Supplies	65		65
Other		2,708	2,773
Room and Board			
Totals	<u>43,657</u>	<u>185,581</u>	<u>229,238</u>
	<u>45,702</u>	<u>188,289</u>	<u>233,991</u>
Total charges	<u>\$ 3,791,403</u>	<u>\$</u>	<u>\$ 3,791,403</u>

The accompanying notes are an integral part of this schedule.

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF STATISTICS AND EQUITY CAPITAL
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

Statistics:	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Number of Beds	<u>120</u>	<u>(14)</u>	<u>106</u>
Patient Days:			
Medicaid	14,800	(1,616)	13,184
Medicare	1,912		1,912
Private and Other	<u>363</u>	<u>1,616</u>	<u>1,979</u>
Total Patient Days	<u>17,075</u>		<u>17,075</u>
Percent Medicaid	<u>86.68%</u>	<u>(9.46)%</u>	<u>77.21%</u>
Facility Square Footage:			
Allowable Ancillary Cost Centers:			
Physical Therapy		96	96
Speech Therapy		24	24
Occupational Therapy		98	98
Medical Supplies		368	368
Other			
Patient Care	24,217	(586)	23,631
Laundry and Linen	194	(74)	120
Pharmacy			
Beauty and Barber		74	74
Total Facility Square Footage	<u>24,411</u>		<u>24,411</u>
Equity Capital:			
Ending equity capital	<u>\$ 379,617</u>	<u>\$ (219,428)</u>	<u>\$ 160,189</u>
Average equity capital	<u>\$ 234,354</u>	<u>\$ (109,714)</u>	<u>\$ 124,640</u>
Annual rate of return	<u>5.887%</u>	<u>0.506%</u>	<u>6.393%</u>
Return on equity before apportionment	<u>\$ 8,048</u>	<u>\$ (3,400)</u>	<u>\$ 4,648</u>

Type Of Ownership: Corporation

Date cost report was accepted: December 14, 2001

The accompanying notes are an integral part of this schedule.

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF ALLOWABLE MEDICAID COSTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

Total Costs:

<u>Reimbursement Class</u>	<u>As Adjusted</u>	<u>Allocations & Apportionment (Note 2)</u>	<u>Costs After Allocations & Apportionment</u>
Operating	\$ 404,716	\$ (102,270)	\$ 302,446
Patient Care	1,186,208	(306,282)	879,926
Property	111,933	(25,507)	86,426
Non-reimbursable	<u>11,328</u>	<u>434,059</u>	<u>445,387</u>
Totals (page 2)	1,714,185		1,714,185
Return on equity (page 4)	4,648	(1,208)	3,440
Non-Medicaid		<u>1,208</u>	<u>1,208</u>
Totals	<u>\$ 1,718,833</u>	<u>\$</u>	<u>\$ 1,718,833</u>

Allowable Medicaid Costs:

<u>Reimbursement Class</u>	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Operating	\$ 460,280	\$ (157,834)	\$ 302,446
Patient Care	1,053,168	(173,242)	879,926
Property	180,856	(94,430)	86,426
Return on equity	<u>6,738</u>	<u>(3,298)</u>	<u>3,440</u>
Totals	<u>\$ 1,701,042</u>	<u>\$ (428,804)</u>	<u>\$ 1,272,238</u>

Allowable Medicaid Per Diem Costs:

<u>Reimbursement Class</u>	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Operating	\$ 31.10	\$ (8.16)	\$ 22.94
Patient Care	71.16	(4.42)	66.74
Property	12.22	(5.66)	6.56
Return on equity	<u>0.46</u>	<u>(0.20)</u>	<u>0.26</u>
Initial Medicaid per diem (Note 3)	<u>\$ 114.94</u>	<u>\$ (18.44)</u>	<u>\$ 96.50</u>

The accompanying notes are an integral part of this schedule.

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF INTERIM RATE COST SETTLEMENT DATA
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000**

Reason for Interim Rate:	Change of Ownership
Effective date of Interim Rate:	February 25, 2000
Ending date of Interim Rate period:	August 31, 2000

Patient Days During the Interim Rate Period:

	02/25/00 through 08/31/00
	<u> </u>
Total Patient Days	<u>17,075</u>
Medicaid Patient Days	<u>13,184</u>

Costs Incurred During the Interim Rate Period (Note 5):

Reimbursement Class	Adjusted Allowable Medicaid Costs
	<u> </u>
Operating	\$ 302,446
Patient Care	879,926
Property	86,426
Return on equity	3,440
	<u> </u>
Total	<u>\$ 1,272,238</u>

The accompanying notes are an integral part of this schedule.

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF FAIR RENTAL VALUE SYSTEM DATA
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

Capital Additions and Improvements:	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Acquisition costs:			
02/25/00 - 06/30/00	\$	\$	\$
07/01/00 - 08/31/00			
Totals	<u>\$</u>	<u>\$</u>	<u>\$</u>
Original loan amount	<u>\$</u>	<u>\$</u>	<u>\$</u>
Retirements	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital Replacements:			
Acquisition costs	<u>\$ 43,272</u>	<u>\$</u>	<u>\$ 43,272</u>
Original loan amount	<u>\$</u>	<u>\$</u>	<u>\$</u>
Pass-through costs (Note 4)			
Acquisitions: 02/25/00 - 08/31/00			
Depreciation	\$ 361	\$	\$ 361
Interest			
Prior to 02/25/00			
Total	<u>\$ 361</u>	<u>\$</u>	<u>\$ 361</u>
Equity in Capital Assets:			
Ending equity in capital assets	<u>\$ 43,272</u>	<u>\$</u>	<u>\$ 43,272</u>
Average equity in capital assets	<u>\$ 21,636</u>	<u>\$</u>	<u>\$ 21,636</u>
Annual rate of return	<u>5.887%</u>	<u>0.506%</u>	<u>6.393%</u>
Return on equity in capital assets before apportionment	<u>\$ 743</u>	<u>\$ 64</u>	<u>\$ 807</u>
Return on equity in capital assets apportioned to Medicaid	<u>\$ 622</u>	<u>\$ (24)</u>	<u>\$ 598</u>
Mortgage Interest Rate:	N/A		

The accompanying notes are an integral part of this schedule.

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
NOTES TO SCHEDULES
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

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 Medicare 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 Audit Services Medicaid Procedures Manual.

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 non-allowable ancillary, patient care, laundry and linen and non-reimbursable 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 apportionment 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 been calculated under the provisions of the Florida Title XIX Long-Term Care Reimbursement Plan, except that fair rental value provisions are not applied. The effect, if any, of the fair rental value system, will be determined during the rate setting process, and 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.

Note 5 - Interim Rate Cost Settlement

The Florida Title XIX Long-Term Care Reimbursement Plan stipulates that provider reimbursement, which is based on budgeted costs projections, will be subject to cost settlement. The amount of such settlement will be based on the differences 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 amount due to or due from the Provider.

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF ADJUSTMENTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

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.

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments to Costs (page 2)</u>			
<u>Plant Operations:</u>			
1. FICA Taxes - Plant Operations	42850	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	\$ (201)
2. Workers' Compensation	42854	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(115)
			<u>(316)</u>
<u>Housekeeping:</u>			
3. FICA Taxes - Housekeeping	42560	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(757)
4. Workers' Compensation	42564	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(3,513)
			<u>(4,270)</u>
<u>Administration:</u>			
5. Amortization Expense - Legal	-----	To record start-up costs. (Sections 2304 and 2320, CMS Pub. 15-1)	4,538
6. Legal	43350	To reclassify start-up costs that should be capitalized. (Sections 2304 and 2320, CMS Pub. 15-1)	(38,900)
7. Legal	43350	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(1,032)
8. Workers' Compensation	44454	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(219)
9. Liability Insurance	43150	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(40,000)
10. FICA Taxes - G & A	44450	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(792)
11. Central Office Costs	-----	To adjust home office allocation of costs to administration. (Section 2150.3, CMS Pub. 15-1)	(56,798)
			<u>(133,203)</u>

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF ADJUSTMENTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000**

ATTACHMENT A

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments to Costs (cont'd)</u>			
<u>Allowable Ancillary:</u>			
12. Medical Supplies	-----	To reclassify costs to the proper cost center. (Section 2302.8, CMS Pub. 15-1)	573
			<u>573</u>
<u>Patient Care:</u>			
13. Small Equipment - Nursing	40750	To adjust costs due to lack of supporting documentation. (Section 2304, CMS. Pub. 15-1)	(46,453)
14. FICA Taxes - Nursing	41015	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(7,721)
15. FICA Taxes - Dietary	41640	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(1,408)
16. FICA Taxes - Other Patient Care	41420	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(672)
17. Workers' Compensation - Nursing	41014	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(8,007)
18. Workers' Compensation - Nursing	41019	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(4,737)
19. Workers' Compensation - Dietary	42284	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(5,296)
20. Workers' Compensation - Recreation	41424	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(592)
21. Workers' Compensation - Social Services	41644	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(115)
22. Workers' Compensation - Central Supply	41844	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(38)
23. Medical Supplies - Non-Covered	41830	To adjust costs to audited amount. (Section 2304, CMS Pub. 15-1)	(573)
			<u>(75,612)</u>
<u>Property:</u>			
24. Property Insurance	46010	To adjust costs due to lack of supporting documentation. (Section 2304, CMS. Pub. 15-1)	(3,936)
25. Rent - Hialeah	46019	To disallow rent expense on leased property. (Florida Title XIX Long-Term Care Reimbursement Plan, Section III G.2.)	(168,000)

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF ADJUSTMENTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000**

ATTACHMENT A

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments to Costs (cont'd)</u>			
<u>Property: (cont'd)</u>			
26. Depreciation Expense	-----	To replace rent expense with ownership costs. (Florida Title XIX Long-Term Care Reimbursement Plan, Section III G.2.)	87,500
27. Rent Taxes - Hialeah	46033	To adjust property rent taxes to audited amount. (Section 2304, CMS Pub. 15-1)	(12,340)
			<u>(96,776)</u>
Net Adjustment to Costs			<u>\$ (309,604)</u>
<u>Adjustments affecting Ending Equity Capital (page 4)</u>			
28. Equity	----	To remove net positive working capital from equity. (Florida Title XIX Long-Term Care Reimbursement Plan, Section III (J))	\$ (340,243)
29. Accrued Exp. Nursing Equipment	21120	To disallow expense for lack of supporting documentation. (Section 2034, CMS Pub. 15-1)	46,453
30. Start-up Costs - Legal	-----	To properly capitalize start-up costs. (Sections 2304 and 2320, CMS Pub. 15-1)	38,900
31. Acc. Amortization - Start-up Costs	----	To properly capitalize start-up costs. (Sections 2304 and 2320, CMS Pub. 15-1)	(4,538)
32. Accrued Liability Insurance	21130	To disallow expense for lack of supporting documentation. (Section 2034, CMS Pub. 15-1)	40,000
Net Adjustment to Ending Equity Capital			<u>\$ (219,428)</u>

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF ADJUSTMENTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000**

ATTACHMENT A

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments affecting Statistics (page 4)</u>			
<u>Patient Day Statistics:</u>			
33. Medicaid Private and Other		To adjust statistical basis for cost allocation based on audited data. (Sections 2102.3 and 2304, CMS Pub. 15-1)	(1,616) 1,616
Net Adjustment to Patient Days			0
<u>Square Footage:</u>			
34. Physical Therapy Speech Therapy Occupational Therapy Medical Supplies Patient Care Laundry & Linen Barber & Beauty		To adjust the statistical basis for cost allocation based on audited data. (Sections 2102.3 and 2304, CMS Pub. 15-1)	96 24 98 368 (586) (74) 74
Net Adjustment to Facility Square Footage			0

**DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
SCHEDULE OF ADJUSTMENTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000**

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 audit which detail allowable components of the fair rental value system.

<u>Classification</u>	<u>Increase (Decrease)</u>
Fair Rental Value System Data:	
<u>Capital Additions and Improvements</u>	
1. Acquisition costs	\$ _____
2. Retirements	\$ _____
<u>Capital Replacements</u>	
3. Acquisition costs	\$ _____
4. Pass-Through costs	\$ _____
<u>Equity in Capital Assets</u>	
5. Ending equity in capital assets	\$ _____
6. Average equity in capital assets	\$ _____
7. Return on equity in capital assets before apportionment	\$ _____ 64
8. Return on equity in capital assets apportioned to Medicaid	\$ _____ (24)

DOS OF HIALEAH, INC.
d/b/a HIALEAH SHORES NURSING & REHAB CENTER
DOS HEALTH CARE, INC. (HOME OFFICE)
SCHEDULE OF ADJUSTMENTS
FOR THE SEVEN MONTHS ENDED AUGUST 31, 2000

ATTACHMENT A

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments to Home Office Costs</u>			
1 Travel & Ent: Entertainment	6940	To disallow costs due to lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	\$ (8,901)
2 Travel & Ent: Meals	6941	To disallow costs due to lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(14,369)
3 Travel & Ent: Travel	6942	To disallow costs due to lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(23,263)
4 Payroll Expenses: Officer	6400	To disallow costs due to lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(288,724)
5 Automobile Expense	6200	To disallow costs due to lack of supporting documentation. (Section 2304, CMS Pub. 15-1)	(43,393)
Net Adjustment to Costs			<u>\$ (378,650)</u>
Portion allocated to DOS of Hialeah Shores d/b/a Hialeah Shores Nursing & Rehab Center			<u>\$ (56,798)</u>

Adjustments to Home Office Ending Equity Capital

None

December 2, 2015

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

RE: Hialeah Shores Nursing & Rehab Center
 Examination Period: 7/M/E August 31, 2000
 Engagement No.: NH04-131S

Revisions to Attachment A:

Adjustment No.	From	To
Adjustments:		
1 – PO (fica taxes)	(201)	-0-
3 – Hskg (fica taxes)	(757)	-0-
9 – Adm (insur)	(40,000)	-0-
10 – Adm (fica taxes)	(792)	-0-
11 – Adm (home off)	(56,798)	(20,537)
14 – PC-nursing (fica taxes)	(7,721)	-0-
15 – PC-dietary(fica taxes)	(1,408)	-0-
16 – PC-other (fica taxes)	(672)	-0-
Home Office Adj:		
2 – travel & ent	(14,369)	(7,185)
3 – travel & ent	(23,263)	(11,632)
4 – payroll exp	(288,724)	(87,500)
5 – auto exp	(43,393)	(21,697)