

STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION

FILED
APCA
AGENCY CLERK

2015 SEP 18 P 2:01

THE WOODS OF MANATEE SPRINGS,

Petitioner,

ENGAGEMENT NO. NH07-063G

v.

STATE OF FLORIDA, AGENCY FOR
HEALTH CARE ADMINISTRATION,

Respondent.

FINAL ORDER

THIS CAUSE concerns a request for a formal administrative hearing (“Request”) that the Agency for Health Care Administration (“Agency”) received pertaining to the Agency’s Medicaid cost report audit of Petitioner (Exhibit A).

On October 17, 2008, Petitioner filed its Request (Exhibit B), challenging some of the Agency’s adjustments to Requester’s Medicaid cost report. The case was then held in abeyance at the request of the parties in order to pursue settlement negotiations.

On September 1, 2015, Petitioner filed a Notice of Voluntary Dismissal (Exhibit C).

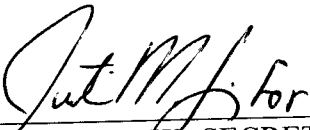
Based on the foregoing,

IT IS THEREFORE ORDERED AND ADJUDGED THAT:

The Agency hereby acknowledges Petitioner’s dismissal of its Request. The Agency’s Medicaid cost report audit of Petitioner is hereby upheld as final and this matter is now closed. The parties shall govern themselves accordingly.

DONE and ORDERED this 17th day of September, 2015, in Tallahassee,

Florida.



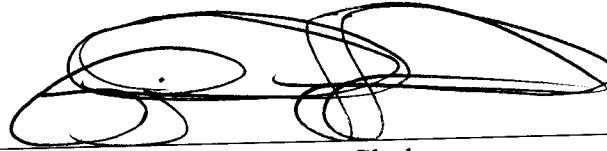
ELIZABETH DUDEK, SECRETARY
AGENCY FOR HEALTH CARE ADMINISTRATION

NOTICE OF RIGHT TO JUDICIAL REVIEW

A PARTY WHO IS ADVERSELY AFFECTED BY THIS FINAL ORDER OF DISMISSAL WITH PREJUDICE IS ENTITLED TO JUDICIAL REVIEW, WHICH SHALL BE INSTITUTED BY FILING THE ORIGINAL NOTICE OF APPEAL WITH THE AGENCY CLERK OF AHCA, AND A COPY, ALONG WITH THE FILING FEE 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 THE RENDITION OF THE ORDER TO BE REVIEWED.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Final Order has been furnished to the persons named below by the method designated on this 18th day of September, 2015.



RICHARD J. SHOOP, Agency Clerk
Agency for Health Care Administration
2727 Mahan Drive, MS #3
Tallahassee, FL 32308
(850) 412-3689

COPIES FURNISHED TO:

Richard A. Feldman, Esquire
5627 9th Street East
Bradenton, Florida 34203
(via electronic mail to feldman_richard@yahoo.com)

Katharine B. Heyward, Esquire
Assistant General Counsel
(via electronic mail to Katharine.Heyward@ahca.myflorida.com)

Zainab Day
Medicaid Program Finance
(via electronic mail to Zainab.Day@ahca.myflorida.com)

**FLORIDA
MEDICAID**



CR

CHARLIE CRIST
GOVERNOR

HOLLY BENSON
SECRETARY

September 24, 2008
Return Receipt No.
7005 3110 0001 6523 3399

WOODS OF MANATEE SPRINGS, THE
5627 9TH STREET, EAST
BRADENTON, FL 34203

Provider No.: 260321
Audit Period/Engagement No.: September 30, 2004/NH07-063G

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):
cc: STERLING HEALTHCARE, INC.
16 NORCROSS STREET, SUITE 50-B
ROSWELL, GA 30075

2727 Mahan Drive, MS# 21
Tallahassee, Florida 32308



Visit AHCA online at
<http://ahca.myflorida.com>

EXHIBIT A

The Woods at Manatee Springs, Inc.
Medicaid Audit Report
For the Period from April 1, 2003 to September 30, 2004

Gabriel & Associates, CPAs, PA
Certified Public Accountants
Jacksonville, Florida

Gabriel & Associates, CPAs, PA

Certified Public Accountants

10117 St. Augustine Rd. Suite 100

Jacksonville, Florida 32257

Phone (904) 260-3820

Fax (904) 260-9725

John J. Gabriel, CPA, MBA, MIS email JGabriel@GACPAS.ORG

Victoria L. Hodgins, CPA, MA email VHodgins@GACPAS.ORG

Harold Bachner, CPA, MBA email HBachner@GACPAS.ORG

Members

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT

Secretary
Agency for Health Care Administration

We have examined the accompanying schedules and statistical data, as listed in the Table of Contents, which were derived from the Cost Report for Florida Medicaid Program Nursing Home Services Providers (the "Cost Report") of The Woods of Manatee Springs, Inc. (the "Provider") for the period from April 1, 2003 to September 30, 2004. 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 conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examination on 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 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 period from April 1, 2003 to September 30, 2004, 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 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, as listed in the Table of Contents present, in all material respects, the amounts and statistical data derived from the Cost Report of The Woods at Manatee Springs, Inc., for the period from April 1, 2003 to September 30, 2004, are presented, 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 Woods at Manatee Springs, Inc. and is not intended to be used by anyone other than these specified parties.

August 31, 2007

Gabriel & Associates, CPAs, PA

The Woods at Manatee Springs, Inc.
Schedule of Costs
For the Period from April 1, 2003 to September 30, 2004

Cost Center Totals	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Cost to be allocated:			
Plant operations	\$ 484,498	\$ (4,235)	\$ 480,263
Housekeeping	372,000	(90,000)	282,000
	<u>856,498</u>	<u>(94,235)</u>	<u>762,263</u>
Administration	1,027,001	(60,660)	966,341
	<u>1,883,499</u>	<u>(154,895)</u>	<u>1,728,604</u>
Patient Care:			
Direct Care	4,395,433	18,464	4,413,897
Indirect Care	879,699	-	879,699
Dietary	711,612	-	711,612
Activities	88,122	-	88,122
Social Services	226,544	-	226,544
Medical Records	80,747	-	80,747
Central Supplies	337,962	(271,307)	66,655
	<u>6,720,119</u>	<u>(252,843)</u>	<u>6,467,276</u>
Laundry and Linen	-	271,307	271,307
Allowable Ancillary:			
Physical Therapy	1,153,425	-	1,153,425
Speech Therapy	257,910	-	257,910
Occupational Therapy	875,177	(13,050)	862,127
Parenteral/Enteral Therapy	20,446	-	20,446
Complex Medical Equipment	27,152	-	27,152
Medical Supplies	35,266	-	35,266
Inhalation/Respiratory Therapy	385,723	-	385,723
IV Therapy	104,290	-	104,290
Other	144	-	144
	<u>2,859,533</u>	<u>(13,050)</u>	<u>2,846,483</u>
Property:			
Rent on Property (not examined)	2,520,000	-	2,520,000
Amortization	-	-	-
Interest on Property (not examined)	-	-	-
Depreciation (not examined)	3,537	-	3,537
Insurance on Property	44,211	-	44,211
Taxes on Property	161,593	-	161,593
Home Office Property Costs	-	-	-
Other	-	-	-
	<u>2,729,341</u>	<u>-</u>	<u>2,729,341</u>
Nonallowable Ancillary:			
Radiology	23,356	-	23,356
Lab	82,418	-	82,418
Pharmacy	72,428	-	72,428
Other	-	-	-
	<u>178,202</u>	<u>-</u>	<u>178,202</u>
Other Non-Reimbursable:			
Beauty and Barber Shop	-	-	-
Other	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Cost	14,370,694	(149,481)	14,221,213
Medicaid Bad Debts	-	-	-
Total Costs	<u>\$ 14,370,694</u>	<u>\$ (149,481)</u>	<u>\$ 14,221,213</u>

The accompanying notes are an integral part of this schedule.

NH07-063G

The Woods at Manatee Springs, Inc.
Schedule of Charges
For the Period from April 1, 2003 to September 30, 2004

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Usual and Customary Daily Rate	\$ 310.29	\$ -	\$ 310.29
 Patient Charges:			
Medicaid:			
Ancillary cost centers	\$ 18,858	\$ -	\$ 18,858
Physical Therapy	7,243	-	7,243
Speech Therapy	11,888	-	11,888
Occupational Therapy	20,559	-	20,559
Complex Medical Equipment	27,266	-	27,266
Medical Supplies	453,839	-	453,839
Inhalation/Respiratory Therapy	-	-	-
IV Therapy	-	-	-
Room and Board	4,380,548	-	4,380,548
Totals	<u>4,920,201</u>	<u>-</u>	<u>4,920,201</u>
 Medicare:			
Ancillary cost centers	2,431,155	-	2,431,155
Physical Therapy	475,956	-	475,956
Speech Therapy	2,124,344	-	2,124,344
Occupational Therapy	10,938	-	10,938
Complex Medical Equipment	89,867	-	89,867
Medical Supplies	1,153,563	-	1,153,563
Inhalation/Respiratory Therapy	73,271	-	73,271
IV Therapy	12,793,125	-	12,793,125
Room and Board	<u>19,152,219</u>	<u>-</u>	<u>19,152,219</u>
Totals	<u>19,152,219</u>	<u>-</u>	<u>19,152,219</u>
 Private and Other:			
Ancillary cost centers	121,046	-	121,046
Physical Therapy	19,057	-	19,057
Speech Therapy	107,998	-	107,998
Occupational Therapy	1,296	-	1,296
Complex Medical Equipment	2,494	-	2,494
Medical Supplies	60,758	-	60,758
Inhalation/Respiratory Therapy	16,694	-	16,694
IV Therapy	1,370,400	-	1,370,400
Room and Board	<u>1,699,743</u>	<u>-</u>	<u>1,699,743</u>
Totals	<u>1,699,743</u>	<u>-</u>	<u>1,699,743</u>
Total Charges	<u>\$ 25,772,163</u>	<u>\$ -</u>	<u>\$ 25,772,163</u>

The accompanying notes are an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Schedule of Statistics and Equity Capital
For the Period from April 1, 2003 to September 30, 2004

Statistics	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Number of Beds	120	-	120
Patient Days:			
Medicaid	24,208	-	24,208
Medicare	31,840	-	31,840
Private and other	5,478	-	5,478
Total patient days	61,526	-	61,526
Percent Medicaid	39.35%	0.00%	39.35%
Facility Square Footage:			
Allowable ancillary cost centers:			
Physical Therapy	4,773	(167)	4,606
Speech Therapy	361	-	361
Occupational Therapy	1,122	167	1,289
Complex Medical Equipment	70	-	70
Medical Supplies	680	77	757
Inhalation/Respiratory Therapy	490	-	490
Patient care	39,035	-	39,035
Laundry and linen	965	140	1,105
Radiology	-	-	-
Lab	83	-	83
Pharmacy	-	-	-
Beauty and barber	277	-	277
Other	-	-	-
	47,856	217	48,073
Equity Capital:			
Ending equity capital	\$ 3,506,824	\$ -	\$ 3,506,824
Average equity capital	\$ -	\$ 1,753,412	\$ 1,753,412
Annual rate of return	0.000%	4.167%	4.167%
Return on equity before apportionment	\$ -	\$ 109,597	\$ 109,597
Type of ownership:	Corporation		
Date cost report accepted:	September 6, 2006		

The accompanying notes are an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Schedule of Allowable Medicaid Costs
For the Period from April 1, 2003 to September 30, 2004

Total Costs

<u>Reimbursement Class</u>	<u>Costs as Adjusted</u>	<u>Allocations & Apportionment (Note 2)</u>	<u>Costs After Allocations & Apportionment</u>
Operating	\$ 1,999,911	\$ (1,355,978)	\$ 643,933
Direct Patient Care	4,413,897	(2,677,205)	1,736,692
Indirect Patient Care	4,899,862	(3,945,341)	954,521
Property (not examined)	2,729,341	(1,655,474)	1,073,867
Nonreimbursable	178,202	9,633,998	9,812,200
Total (page 2)	14,221,213	-	14,221,213
Return on equity (page 4) (not examined)	109,597	(75,618)	33,979
Non-Medicaid	-	75,618	75,618
Totals	<u>\$ 14,330,810</u>	<u>\$ -</u>	<u>\$ 14,330,810</u>

Allowable Medicaid Costs:

<u>Reimbursement Class</u>	<u>As Reported</u>	<u>Increase (Decrease) (Note 1)</u>	<u>As Adjusted</u>
Operating	\$ 586,404	\$ 57,529	\$ 643,933
Direct Patient Care	1,729,427	7,265	1,736,692
Indirect Patient Care	1,061,486	(106,965)	954,521
Property (not examined)	1,073,867	-	1,073,867
Return on equity (not examined)	-	33,979	33,979
Totals	<u>\$ 4,451,184</u>	<u>\$ (8,192)</u>	<u>\$ 4,442,992</u>

Allowable Medicaid Per Diem Costs:

<u>Reimbursement Class</u>	<u>As Reported</u>	<u>Increase (Decrease) (Note 1)</u>	<u>As Adjusted</u>
Operating	\$ 24.22	\$ 2.38	\$ 26.60
Direct Patient Care	71.44	0.30	71.74
Indirect Patient Care	43.85	(4.42)	39.43
Property	44.36	-	44.36
Return on equity	-	1.40	1.40
Initial Medicaid Per Diem (Note 3)	<u>\$ 183.87</u>	<u>\$ (0.34)</u>	<u>\$ 183.53</u>

The accompanying notes are an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Schedule of Fair Rental Value System Data
For the Period from April 1, 2003 to September 30, 2004

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
Capital Additions and Improvements:			
Acquisition Costs:			
4/1/03-6/30/03	\$ -	\$ -	\$ -
7/1/03-12/31/03	-	-	-
1/1/04-6/30/04	-	-	-
7/1/04-9/30/04	-	-	-
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: (not examined)			
Acquisition Cost	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Original Loan Amount	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Pass-through Costs (Note 4)			
Acquisitions:			
4/1/03-9/30/04	\$ -	\$ -	\$ -
Depreciation	-	-	-
Interest	-	-	-
Prior to 4/1/03	-	-	-
Depreciation	-	-	-
Interest	-	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Equity in Capital Assets: (not examined)			
Ending Equity in Capital Assets	<u>\$ 60,757</u>	<u>\$ -</u>	<u>\$ 60,757</u>
Average Equity in Capital Assets	<u>\$ -</u>	<u>\$ 30,379</u>	<u>\$ 30,379</u>
Annual Rate of Return	<u>0.000%</u>	<u>4.167%</u>	<u>4.167%</u>
Return on Equity in Capital Assets Before Apportionment	<u>\$ -</u>	<u>\$ 1,899</u>	<u>\$ 1,899</u>
Return on Equity in Capital Assets apportioned to Medicaid	<u>\$ -</u>	<u>\$ 589</u>	<u>\$ 589</u>

Mortgage Interest Rates:

No Mortgage

The accompanying notes are an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Schedule of Direct Patient Care
For the Period from April 1, 2003 to September 30, 2004

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
RN Data			
Productive Salaries	\$ 661,317	\$ 25,987	\$ 687,304
Non-Productive Salaries	35,579	18,393	53,972
Total Salaries	<u>\$ 696,896</u>	<u>\$ 44,380</u>	<u>\$ 741,276</u>
FICA	\$ 63,261	\$ (6,553)	\$ 56,708
Unemployment Insurance		6,553	6,553
Health Insurance	57,821	-	57,821
Workers Compensation	38,731	-	38,731
Other Fringe Benefits	-	-	-
Total Benefits	<u>\$ 159,813</u>	<u>\$ -</u>	<u>\$ 159,813</u>
Productive Hours	30,741	(246)	30,495
Non-Productive Hours	1,601	246	1,847
Total Hours	<u>32,342</u>	<u>-</u>	<u>32,342</u>
LPN Data			
Productive Salaries	\$ 1,364,041	\$ (20,121)	\$ 1,343,920
Non-Productive Salaries	62,893	26,688	89,581
Total Salaries	<u>\$ 1,426,934</u>	<u>\$ 6,567</u>	<u>\$ 1,433,501</u>
FICA	\$ 129,532	\$ (19,869)	\$ 109,663
Unemployment Insurance		19,869	19,869
Health Insurance	118,391	-	118,391
Workers Compensation	79,304	-	79,304
Other Fringe Benefits	-	-	-
Total Benefits	<u>\$ 327,227</u>	<u>\$ -</u>	<u>\$ 327,227</u>
Productive Hours	74,480	955	75,435
Non-Productive Hours	3,375	698	4,073
Total Hours	<u>77,855</u>	<u>1,653</u>	<u>79,508</u>

The accompanying note is an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Schedule of Direct Patient Care
For the Period from April 1, 2003 to September 30, 2004

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
CNA Data			
Productive Salaries	\$ 1,392,140	\$ (72,679)	\$ 1,319,461
Non-Productive Salaries	59,525	40,196	99,721
Total Salaries	<u>\$ 1,451,665</u>	<u>\$ (32,483)</u>	<u>\$ 1,419,182</u>
FICA	\$ 131,776	\$ (23,209)	\$ 108,567
Unemployment Insurance		23,209	23,209
Health Insurance	120,443	-	120,443
Workers Compensation	80,679	-	80,679
Other Fringe Benefits	-	-	-
Total Benefits	<u>\$ 332,898</u>	<u>\$ -</u>	<u>\$ 332,898</u>
Productive Hours	126,518	(4,868)	121,650
Non-Productive Hours	3,985	3,191	7,176
Total Hours	<u>130,503</u>	<u>(1,677)</u>	<u>128,826</u>
Agency Data			
RN Costs	\$ -	\$ -	\$ -
LPN Costs	-	-	-
CNA Costs	-	-	-
Total Agency Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RN Hours	-	-	-
LPN Hours	-	-	-
CNA Hours	-	-	-
Total Agency Hours	<u>-</u>	<u>-</u>	<u>-</u>
Pediatric Offset - RN			
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>

The accompanying note is an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Schedule of Direct Patient Care
For the Period from April 1, 2003 to September 30, 2004

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

The accompanying note is an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Schedule of Direct Patient Care
For the Period from April 1, 2003 to September 30, 2004

	<u>As Reported</u>	<u>Increase (Decrease)</u>	<u>As Adjusted</u>
AIDS Offset - LPN			
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 - CNA			
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			
RN Costs	\$ -	\$ -	\$ -
LPN Costs	-	-	-
CNA Costs	-	-	-
Total Agency Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RN Hours	-	-	-
LPN Hours	-	-	-
CNA Hours	-	-	-
Total Agency Hours	<u>-</u>	<u>-</u>	<u>-</u>
Data for All Departments			
Total Salaries	<u>\$ 5,155,989</u>	<u>\$ -</u>	<u>5,155,989</u>
FICA	\$ 442,536	\$ (48,103)	\$ 394,433
Unemployment Insurance		48,103	48,103
Health Insurance	427,787	-	427,787
Workers Compensation	286,552	-	286,552
Other Fringe Benefits	-	-	-
Total Benefits	<u>\$ 1,156,875</u>	<u>\$ -</u>	<u>\$ 1,156,875</u>

The accompanying note is an integral part of this schedule.

The Woods at Manatee Springs, Inc.
Notes to Schedules
For the Period April 1, 2003 to September 30, 2004

Note 1 - Basis of Presentation

The Schedules, which were derived from the Cost Report for Florida Medicaid Program Nursing Home Services 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 and as defined by applicable cost reimbursement principles, policies and regulations according to Medicare reimbursement principles as interpreted by Provider Reimbursement Manual (CMS Pub. 15-1), Florida Title XIX Long-Term Care Reimbursement Plan and the policies and procedures manuals for Nursing Home Services of the Agency for Health Care Administration of the State of Florida.

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 administrative, 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 care 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

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, excluding fair rental value provisions. 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 the 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 Woods at Manatee Springs, Inc.
Attachment A-Audit Adjustments
For the Period from April 1, 2003 to September 30, 2004

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments to Costs (page 2)</u>			
<u>Plant Operation:</u>			
1. Maintenance Expense	710720	To adjust due to lack of documentation. (Section 2304, CMS Pub. 15-1)	\$ (4,235)
			<u>(4,235)</u>
<u>Housekeeping:</u>			
2. Contract Service-Housekeeping	720510	To disallow unreasonable/duplicate laundry costs. (Section 2101.1, CMS Pub 15-1)	(90,000)
			<u>(90,000)</u>
<u>Administration:</u>			
3. Home Office	730500	To record adjustments to home office costs. (Section 2150, CMS Pub. 15-1)	(41,642)
4. Home Office	730500	To reclassify home office costs. (Section 2150, CMS Pub. 15-1)	(554)
5. Salary-Other A&G	730190	To adjust A&G salary to audit findings. (Section 2304, CMS Pub. 15-1)	(18,464)
			<u>(60,660)</u>
<u>Patient Care:</u>			
6. Salaries-RN	810120	To adjust costs per audit findings.	44,380
Salaries-LPN	810130	(Section 2304, CMS Pub. 15-1)	6,567
Salaries-CNA	810140		(32,483)
7. Central Supply-Non Related Party	917510	To reclassify expense to proper cost center. (Section 2304, CMS Pub. 15-1)	(271,307)
			<u>(252,843)</u>
<u>Laundry:</u>			
8. Laundry-Contract Service	918710	To reclass expense to proper cost center. (Section 2304, CMS Pub. 15-1)	271,307
			<u>271,307</u>
<u>Allowable Ancillary:</u>			
9. Non-related party-Contract Services	923510	To disallow for lack of documentation. (Section 2304, CMS Pub. 15-1)	(13,050)
			<u>(13,050)</u>

The Woods at Manatee Springs, Inc.
Attachment A-Audit Adjustments
For the Period from April 1, 2003 to September 30, 2004

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Property:</u>			
10. Home Office	930940	To reclassify Home Office costs. (Section 2150, CMS Pub 15-1)	\$ 554
11. Home Office	930940	To record adjustment to Home Office costs. (Section 2150, CMS Pub 15-1)	(554)
			-
Net Adjustment to Costs			\$ (59,481)
 <u>Adjustments to Ending Equity Capital (page 4)</u>			
No Adjustments			
 <u>Adjustments to Statistics (page 4)</u>			
<u>Facility Square Footage</u>			
12. Physical Therapy		To adjust to audit findings.	(167)
Occupational Therapy		(Section 2304, CMS Pub. 15-1)	167
Medical Supplies			77
Laundry and Linen			140
Net Adjustment to Facility Square Footage			217
 <u>Adjustments affecting Direct Patient Care Information (pages 7-10)</u>			
<u>RN Salaries</u>			
13. Productive		To adjust salaries per audit findings.	\$ 25,987
Non-productive		(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	18,393
			\$ 44,380
 <u>RN Fringe Benefits</u>			
14. FICA		To adjust benefits per audit findings.	\$ (6,553)
Unemployment Insurance		(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	6,553
			\$ -
 <u>RN Hours</u>			
15. Productive		To adjust hours per audit findings.	(246)
Non-productive		(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	246
			-
 <u>LPN Salaries</u>			
16. Productive		To adjust salaries per audit findings.	\$ (20,121)
Non-productive		(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	26,688
			\$ 6,567

NH07-063G
26032-1

The Woods at Manatee Springs, Inc.
Attachment A - Audit Adjustments
For the Period from April 1, 2003 to September 30, 2004

<u>Classification</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments affecting Direct Patient Care Information (continued)</u>		
<u>LPN Fringe Benefits</u>		
17 FICA	To adjust benefits per audit findings.	\$ (19,869)
Unemployment Insurance	(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	19,869
		<hr style="border-top: 1px solid black;"/>
		<hr style="border-top: 1px solid black;"/>
		-
<u>LPN Hours</u>		
18. Productive	To adjust hours per audit findings.	955
Non-productive	(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	698
		<hr style="border-top: 1px solid black;"/>
		1,653
<u>CNA Salaries</u>		
19. Productive	To adjust salaries per audit findings.	\$ (72,679)
Non-productive	(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	40,196
		<hr style="border-top: 1px solid black;"/>
		\$ (32,483)
<u>CNA Fringe Benefits</u>		
20. FICA	To adjust benefits per audit findings.	\$ (23,209)
Unemployment Insurance	(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	23,209
		<hr style="border-top: 1px solid black;"/>
		\$ -
<u>CNA Hours</u>		
21. Productive	To adjust hours per audit findings.	(4,868)
Non-productive	(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	3,191
		<hr style="border-top: 1px solid black;"/>
		(1,677)
<u>All Departments - Fringe Benefits</u>		
22. FICA	To adjust benefits per audit findings.	\$ (48,103)
Unemployment Insurance	(Florida Title XIX Long-Term Care Reimbursement Plan, Section V.B.)	48,103
		<hr style="border-top: 1px solid black;"/>
		\$ -

The Woods at Manatee Springs, Inc.
Attachment A-Audit Adjustments
For the Period from April 1, 2003 to September 30, 2004

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 Chapter 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>Fair Rental Value System Data</u>	<u>Increase (Decrease)</u>
 Classification	
<u>Capital Additions and Improvements:</u>	
1. Acquisition Costs	<u>\$ -</u>
2. Retirements	<u>\$ -</u>
 <u>Capital Replacements:</u> (not examined)	
3. Acquisition Costs	<u>\$ -</u>
4. Pass-through Costs	<u>\$ -</u>
 <u>Equity in Capital Assets:</u> (not examined)	
5. Ending Equity	<u>\$ -</u>
6. Average Equity	<u>\$ -</u>
7. Return on Equity Before Apportionment	<u>\$ 1,899</u>
8. Return on Equity Apportioned to Medicaid	<u>\$ 589</u>

The Woods at Manatee Springs, Inc.
Sterling Healthcare, Inc. (Home Office)
Attachment A - Audit Adjustments - Home Office
For the Period from April 1, 2003 to September 30, 2004

<u>Classification</u>	<u>Account Number</u>	<u>Comment</u>	<u>Increase (Decrease)</u>
<u>Adjustments to Home Office Administrative Costs</u>			
1. Other Bonus Expense	730290	To adjust to examined amount. (Section 2304, CMS Pub 15-1)	\$ (988,386)
2. Legal	730580	To adjust to examined amount. (Section 2304, CMS Pub 15-1)	(3,991)
3. Accounting	730560	To adjust to examined amount. (Section 2304, CMS Pub 15-1)	(2,475)
4. Maintenance	710710	To adjust to examined amount. (Section 2304, CMS Pub 15-1)	(20,124)
5. Travel	730902	To adjust to examined amount. (Section 2304, CMS Pub 15-1)	(4,202)
6. Contract Services Non Related Party	730510	To adjust to examined amount. (Section 2304, CMS Pub 15-1)	(110,861)
Net Adjustment affecting Administrative Costs			<u>\$ (1,130,039)</u>
Portion allocated to The Woods at Manatee Springs			<u>\$ (41,642)</u>
<u>Adjustments to Home Office Property Costs</u>			
7. Leases NonRelated Party	730510	To adjust to examined amount. (Section 2304, CMS Pub 15-1)	\$ (23,510)
Net Adjustment affecting Property Costs			<u>\$ (23,510)</u>
Portion allocated to The Woods at Manatee Springs			<u>\$ (554)</u>
<u>Adjustments to Home Office Ending Equity Capital</u>			
No Adjustments			

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Woods of Manatee Springs
5627 9th Street, East
Bradenton, FL 34203

2. Article
(Transf

7005 3110 0001 6523 3399

NH07-0636

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Handwritten Signature]*

- Agent
- Addressee

B. Received by (Printed Name)

C. Date of Delivery
9/29/08

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Certified Mail
- Express Mail
- Registered
- Return Receipt for Merchandise
- Insured Mail
- C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



2008 OCT 17 P 12:28

October 15, 2008

Ms. Lisa Milton, Administrator
Florida Agency for Health Care Administration
Medicaid Audit Services
2727 Mahan Drive
Building 3, Mail Stop 21
Tallahassee, Florida 32308

CERTIFIED MAIL:

Provider Name: The Woods of Manatee Springs
Provider Number: 260321
Audit Engagement: NH07-063G
Fiscal Year Ended: September 30, 2004

Dear Ms. Milton:

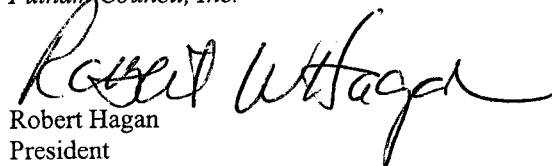
We are in receipt of the audit report for the Woods of Manatee Springs for the period April 1, 2003 through September 30, 2004. We have reviewed the audit report and the related adjustments and believe that the auditor posted an adjustment based, not on fact but, on misjudgment and that two other adjustments made for lack of supporting documentation do, in fact, have supporting documentation.

Therefore, please accept this letter as our request for an appeal of the aforementioned cost report audit. We wish to have the actual appeal held in abeyance as we believe that the issues can be worked out through concerted teamwork on both our parts.

Please contact me as soon as possible to conform acceptance of this appeal and so that we may arrange for copies of the work papers to be sent to us and/or our cost report preparer for further review.

Thank you for your assistance in this matter.

Sincerely,
Putnam Council, Inc.


Robert Hagan
President

RECEIVED

OCT 16 2008

AUDIT SERVICES

10/15 sent UPS via

850-414-9789 (Ext)



October 15, 2008

Ms. Lisa Milton, Administrator
Florida Agency for Health Care Administration
Medicaid Audit Services
2727 Mahan Drive
Building 3, Mail Stop 21
Tallahassee, Florida 32308

CERTIFIED MAIL:

Provider Name: The Woods of Manatee Springs
Provider Number: 260321
Audit Engagement: NH07-063G
Fiscal Year Ended: September 30, 2004

Dear Ms. Milton:

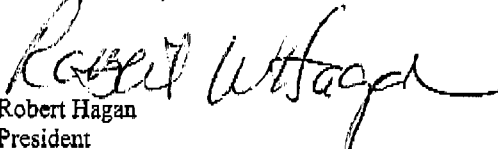
We are in receipt of the audit report for the Woods of Manatee Springs for the period April 1, 2003 through September 30, 2004. We have reviewed the audit report and the related adjustments and believe that the auditor posted an adjustment based, not on fact but, on misjudgment and that two other adjustments made for lack of supporting documentation do, in fact, have supporting documentation.

Therefore, please accept this letter as our request for an appeal of the aforementioned cost report audit. We wish to have the actual appeal held in abeyance as we believe that the issues can be worked out through concerted teamwork on both our parts.

Please contact me as soon as possible to conform acceptance of this appeal and so that we may arrange for copies of the work papers to be sent to us and/or our cost report preparer for further review.

Thank you for your assistance in this matter.

Sincerely,
Putnam Council, Inc.


Robert Hagan
President



Costs may vary from one institution to another because of scope of services, level of care, geographical location, and utilization. It is the intent of the program that providers are reimbursed the actual costs of providing high quality care, regardless of how widely they may vary from provider to provider, except where a particular institution's costs are found to be substantially out of line with other institutions in the same area which are similar in size, scope of services, utilization, and other relevant factors. Utilization, for this purpose, refers not to the provider's occupancy rate but rather to the manner in which the institution is used as determined by the characteristics of the patients treated (i.e., its patient mix - age of patients, type of illness, etc.).

Implicit in the intention that actual costs be paid to the extent they are reasonable is the expectation that the provider seeks to minimize its costs and that its actual costs do not exceed what a prudent and cost conscious buyer pays for a given item or service. (See §2103.) If costs are determined to exceed the level that such buyers incur, in the absence of clear evidence that the higher costs were unavoidable, the excess costs are not reimbursable under the program.

In the event that a provider undergoes bankruptcy proceedings, the program makes payment to the provider based on the reasonable or actual cost of services rendered to Medicare beneficiaries and not on the basis of costs adjusted by bankruptcy arrangements.

The Provider subsequently provided copies of the contracts and paid invoices that clearly indicate these are legitimate services and that the invoices were paid on a timely basis. The Provider contends that these services were not duplicative (otherwise a binding legal contract would not have been entered) and are necessary and prudent in order to maintain a clean and healthy building which leads, in turn, to cleaner and more comfortable residents.

We are again including copies of the contracts and letters from Healthcare Services, an unrelated party, discussing the services they provide.

Adjustment 9:

Allowable Ancillary:	To adjust due to lack of documentation (Section 2304, CMS Pub. 15-1)	<13,050>
----------------------	--	----------

Copy of invoice attached.

Whitley Bros. Construction

6432 Tamiami Trail, South
Sarasota, FL 34321
941-923-2884.

4/12/04

Woods of Manatee Nursing Center
16 Norcross Street, Suite 50
Roswell, GA 30075

Roof repair:

Labor and materials

\$ 4,235.00

Whitley Bros. Construction

6432 Tamiami Trail, South

Sarasota, FL 34321

941-923-2884.

4/12/04

Woods of Manatee Nursing Center

16 Norcross Street, Suite 50

Roswell, GA 30075

Roof repair:

Labor and materials

\$ 4,235.00



STERLING HEALTHCARE, INC.

16 Norcross Street, Suite 100
Roswell, GA 30075
William Schwartz
Controller
(770)993-4000-Phone
(770)993-9014-Fax
bschwartz@sterling-health.com

September 6, 2007

Mr. John Gabriel
Gabriel & Associates CPA
Medicare/LL2 - A&R Reopening
Mutual of Omaha
Mutual of Omaha Plaza Omaha, NE 68175

John:

We have been reviewing and evaluating your fax that we received the afternoon of Friday August 31, 2007.

While we have not completed our evaluation, I wanted to fully respond to your denial of the \$5,000 monthly contractual payments for HealthCare Services Laundry Services at Woods of Manatee. (\$90,000 for the 18 months of the audit)

I believe that there was some confusion because Woods of Manatee utilizes two contractors for Laundry Services (Angelica Textile and HealthCare Services).

Angelica Textile provides the linen services for Woods of Manatee, which Donna Steiermann detailed in her note to you.

HealthCare Services has provided laundry services at the Woods of Manatee since April, 2003. The Laundry services provided are specifically detailed under the "Scope of Work" in the Housekeeping and Laundry service agreement. Health Care Services has provided services to wash, dry fold and deliver personal clothes for the residents, as well as laundering other facility items such as tablecloths, mop heads, residents' blankets and other miscellaneous items as requested by Woods of Manatee personnel.

HealthCare Services also sorts the clean linen items that come into the building from the other outside Laundry Service, Angelica Textile, and picks up and delivers all laundry items to the floors for use by nursing and residents. The laundry at the facility operates every day, and is staffed by a full time Health Care Service employee, and requires regular oversight by the Health Care Service Executive Housekeeper.

I am also faxing the copy of the contract. Note that Exhibit I of the Woods of Manatee Springs and Health Care Services details that Health Care Services provided all laundry staffing and laundry supplies to the 120 bed facility.

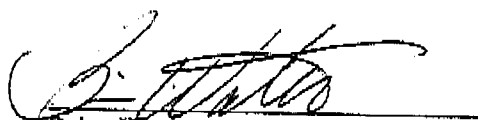
We will let you know of any other audit issues. Please contact me if you have any questions prior to our Monday September 10, 2007 10:00 AM exit conference.

Woods of Manatee

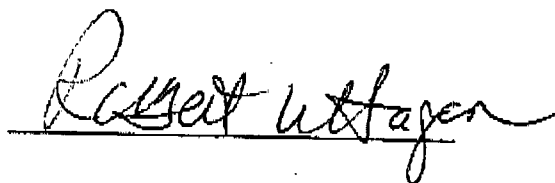
Exhibit III

Healthcare Services Group will provide the following laundry services:

- Wash, dry, fold, and deliver personal clothing for residents of this facility
- Wash, dry, fold, and deliver tablecloths as needed to Dietary Dept
- Wash and dry bed blankets and other misc. items that do not get sent out to an outside service
- Wash soiled mop heads as needed
- Sort clean linens as they are delivered from the outside service to the facility
- Deliver clean linen items to the floors for use by nursing and residents



Brian Waters
Divisional Vice President
Healthcare Services Group



Sterling Health Care



**HEALTHCARE
SERVICES
GROUP, INC.**

**THE WOODS OF MANATEE SPRINGS
HOUSEKEEPING**

APRIL 1, 2003

Divisional Office: 16 Norcross Street • Suite 200 • Roswell, GA 30075 • (800) 433-2710 • (770) 587-3580 • Fax (770) 587-3623
Corporate Office: 3220 Tillman Drive • Suite 300 • Bensalem, PA 19020 • (215) 639-4274 • (800) 523-2248 • Fax: (215) 639-2152





**HEALTHCARE
SERVICES
GROUP, INC.**

S E R V I C E A G R E E M E N T

AGREEMENT, made this 1st day of April, 2003 by and between HEALTHCARE SERVICES GROUP, INC. (hereinafter referred to as "Healthcare"), a Pennsylvania corporation, with offices at 3220 Tillman Drive, Suite 300, Glenview Corporate Center, Bensalem, PA 19020,

and

The Woods of Manatee Springs, Inc., A FL corporation, which operates a Nursing Home known as The Woods of Manatee Springs located at 5627 9th Street East, Bradenton, FL, 34203 (hereinafter referred to as "Facility").

The parties hereto, intending to be legally bound hereby agree as follows:

1. SCOPE OF WORK:

Healthcare will provide all necessary management, supervision, labor and materials necessary to perform the housekeeping and laundry services on the premises of the Facility. All existing housekeeping equipment will be assumed by Healthcare in performing its duties. Any repair of, replacement of, or addition to, housekeeping equipment will be Healthcare's responsibility. The value and utilization of the existing housekeeping equipment was a consideration in determining the service price. The scope of work described will be in compliance with the specifications and schedules attached hereto as Exhibits I and II to this Service Agreement.

2. CONTRACT AMOUNT:

2.1 In consideration of Healthcare providing the aforesaid services, the Facility will pay to Healthcare the sum of Three Hundred Forty Eight Thousand and no/100 dollars (\$348,000.00) per year, said sum to be paid in twelve payments, with each payment due in the amount of Twenty Nine Thousand and no/100 dollars (~~\$29,000.00~~), on the date services were rendered through. Sales tax, if applicable, will be added to the service billing.

\$25,000/mo RWB

3. TERM:

The term of this Service Agreement shall commence on April 1, 2003 and will continue unless canceled in accordance with the provisions contained herein. This Service Agreement can be canceled by either party One hundred twenty (120) days after services begin provided a ninety (90) day written notice has been given.





4. INSURANCE COVERAGE, EMPLOYEE TAXES, RATES AND BENEFITS:

Healthcare will provide and pay Workmen's Compensation, General Liability, FICA, Federal and State Unemployment, managers salary, employee hourly wages and benefits for its employees. Should any rate increase occur in any of these categories, the billing will be adjusted to reflect these changes. Healthcare will notify the Facility in writing of the increases and effective dates of these changes.

5. CUSTOMER COOPERATION:

5.1 During the term of this Service Agreement, the Facility will make all of its facilities available to Healthcare so that the aforesaid services may be performed by Healthcare. Further, during the term of this Service Agreement, the Facility will provide Healthcare personnel with the necessary utilities, including but not limited to electricity and water, so that its services may be performed by Healthcare.

5.2 The proposal price is based upon the ongoing operation of the existing laundry equipment of similar or greater capacity to that of the facility at the time of the proposal presentation.

6. GENERAL PROVISIONS:

6.1 Any notices given either party may be given by mail, registered or certified, postage prepaid, with return receipt requested. Mailed notices shall be deemed communicated thirty (30) days after mailing and should be addressed to the parties at the addresses in the introductory paragraph of this Service Agreement, but each party may change its address by written notice in accordance with this paragraph.

6.2 This Service Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the engagement of Healthcare by the Facility and contains all the covenants and agreements between the parties with respect to its subject matter. This Service Agreement shall not affect or modify any other agreements between the parties with respect to the payment of any existing debts or obligations owed by the Facility to Healthcare.

6.3 This Service Agreement shall be governed and construed in accordance with the laws of the State of the commonwealth of Pennsylvania.

6.4 To the best of Healthcare's ability, the housekeeping and laundry departments will be in complete compliance with all state and federal regulatory agencies.

6.5 Neither party, in the performance of this Service Agreement, shall discriminate against any patient, employee, or other person because of race, color, creed, sex, ancestry, national origin, or handicap. Both parties to this Service Agreement shall comply with the requirements of Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973.

6.6 Healthcare shall, until the expiration of four years after the furnishing of services pursuant to this Service Agreement, upon written request, make available to the Secretary of the Department of Health and Human Services (HHS), or the Secretary's duly authorized representatives, or upon request to the Comptroller General or the Comptroller General's duly authorized representatives, this Service Agreement and such books, documents and records that are necessary to certify the nature and extent of costs under this Service Agreement. This provision shall apply if the amounts paid under the Service Agreement are \$ 10,000 or more over a twelve month period. The availability of Healthcare's books, documents and records shall be subject at all times to such criteria and procedures for seeking or obtaining access as may be promulgated by the Secretary of HHS in regulations and other applicable laws. Healthcare's disclosure under this paragraph shall not be construed as a waiver of any other legal rights to which Healthcare or the Facility may be entitled. Each party will notify the other within 10 days of receipt of a request for access.



If pursuant to this Service Agreement, any of Healthcare's duties and obligations are to be carried out by any individual or entity under a contract with Healthcare with a value of \$10,000 or more, over a twelve month period. The availability of Healthcare's books, documents and records shall be subject at all times to such criteria and procedures for seeking or obtaining access as may be promulgated by the Secretary of HHS in regulations and other applicable laws. Healthcare's disclosure under this paragraph shall not be construed as a waiver of any other legal rights to which Healthcare or the Facility may be entitled. each party will notify the other within 10 days of receipt of a request for access.

If pursuant to this Service Agreement, any of Healthcare's duties and obligations are to be carried out by any individual or entity under a contract with Healthcare with a value of \$10,000 or more, over a twelve month period, and that subcontractor is to a significant extent, associated or affiliated with, owns, or is owned by or has control of or is controlled by Healthcare, each such subcontractor shall itself be subject to the access requirements and Healthcare shall require such subcontractor to meet the access requirements.

6.7 This Service Agreement shall be binding upon, and inure to the benefit of, the parties and their respective heirs, successors, personal representatives and assigns.

6.8 During the term of this Agreement, and for a period of one year after the termination of this Agreement, neither party shall hire management personnel (i.e., managers or supervisors) (a) still employed by the other; or (b) who had been employed by the other at any time within one year before or after the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto, or their duly authorized officers or agents, have executed, sealed and delivered this Service Agreement, in duplicate, intending to be legally bound hereby.

HEALTHCARE SERVICES GROUP, INC.

By: *Brian Waters*

Print Name: Brian Waters

Title: Vice President Operations

The Woods of Manatee Springs

By: *Robert Hagan*
President

Print
Full Name: Bob Hagan

Title: President

Wright Person
Eden Stoffing
Wetlandy Wkads
RWT



EXHIBIT I

The Woods of Manatee Springs

PROPOSAL

HEALTHCARE SERVICES GROUP, INC. will provide the following:

- Full time executive housekeeper
- District Manager to oversee operation
- All staffing and payroll responsibilities for housekeeping and laundry
 - salaries
 - taxes and insurance
 - fringe benefits
- All laundry supplies to include the following:
 - detergent
 - softener
 - bleach
 - sour
- All housekeeping supplies listed
- Heavy housekeeping equipment - Floor machines etc.
- Employee advertising
- Uniforms
- Monthly unit inspections and regular district manager visits
- Regular employee in-service program
- All housekeeping equipment necessary for start up

\$25,000

The cost of this service will be: ~~\$29,000.00~~/Month.

The above cost does not include the outside laundry service.





**HEALTHCARE
SERVICES
GROUP, INC.**

The Woods of Manatee Springs

EXHIBIT II

SUPPLIES

The following is a list of supplies and chemicals provided by Healthcare Services Group, Inc.

Germicidal Detergent
All Purpose Degreaser
Degreaser
Ammoniated Stripper
Floor Finish
Sealer (22% Solid)
Glass Cleaner
Ammonia
Cleanser
Bowl Cleaner
Furniture Cleaner
Furniture Polish
Metal Polish
Carpet Shampoo

Dust Mops and Handles
Dust Cloths
Mops and Mop Handles
Buff Pads
Stripping Pads
All Supplementary Tools For
Light Housekeeping
All Laundry Chemicals

The client will be responsible for the following supplies:

All Paper and plastic for housekeeping
All Hand Soap
All Laundry Equipment Repair
All Hampers, Bins & Racks For The Laundry
All Spreads - Curtains - Pillows
Blankets etc.





**HEALTHCARE
SERVICES
GROUP, INC.**

**THE WOODS OF MANATEE SPRINGS
HOUSEKEEPING**

APRIL 1, 2003

Divisional Office: 16 Norcross Street • Suite 200 • Roswell, GA 30075 • (800) 433-2710 • (770) 587-3580 • Fax (770) 587-3623
Corporate Office: 3220 Tillman Drive • Suite 300 • Bensalem, PA 19020 • (215) 639-4274 • (800) 523-2248 • Fax: (215) 639-2152





**HEALTHCARE
SERVICES
GROUP, INC.**

EXHIBIT I

The Woods of Manatee Springs

PROPOSAL

HEALTHCARE SERVICES GROUP, INC. will provide the following:

- Full time executive housekeeper
- District Manager to oversee operation
- All staffing and payroll responsibilities for housekeeping and laundry
 - salaries
 - taxes and insurance
 - fringe benefits
- All laundry supplies to include the following:
 - detergent - softener
 - bleach - sour
- All housekeeping supplies listed
- Heavy housekeeping equipment - Floor machines etc.
- Employee advertising
- Uniforms
- Monthly unit inspections and regular district manager visits
- Regular employee in-service program
- All housekeeping equipment necessary for start up

\$25,000

The cost of this service will be: ~~\$29,000.00~~/Month.

The above cost does not include the outside laundry service.





**HEALTHCARE
SERVICES
GROUP, INC.**

S E R V I C E A G R E E M E N T

AGREEMENT, made this 1st day of April, 2003 by and between HEALTHCARE SERVICES GROUP, INC. (hereinafter referred to as "Healthcare"), a Pennsylvania corporation, with offices at 3220 Tillman Drive, Suite 300, Glenview Corporate Center, Bensalem, PA 19020,

and

The Woods of Manatee Springs, Inc., A FL corporation, which operates a Nursing Home known as The Woods of Manatee Springs located at 5627 9th Street East, Bradenton, FL, 34203 (hereinafter referred to as "Facility").

The parties hereto, intending to be legally bound hereby agree as follows:

1. SCOPE OF WORK:

Healthcare will provide all necessary management, supervision, labor and materials necessary to perform the housekeeping and laundry services on the premises of the Facility. All existing housekeeping equipment will be assumed by Healthcare in performing its duties. Any repair of, replacement of, or addition to, housekeeping equipment will be Healthcare's responsibility. The value and utilization of the existing housekeeping equipment was a consideration in determining the service price. The scope of work described will be in compliance with the specifications and schedules attached hereto as Exhibits I and II to this Service Agreement.

2. CONTRACT AMOUNT:

2.1 In consideration of Healthcare providing the aforesaid services, the Facility will pay to Healthcare the sum of Three Hundred Forty Eight Thousand and no/100 dollars (\$348,000.00) per year, said sum to be paid in twelve payments, with each payment due in the amount of Twenty Nine Thousand and no/100 dollars (~~\$29,000.00~~) on the date services were rendered through. Sales tax, if applicable, will be added to the service billing.

\$25,000/mo PWT

3. TERM:

The term of this Service Agreement shall commence on April 1, 2003 and will continue unless canceled in accordance with the provisions contained herein. This Service Agreement can be canceled by either party One hundred twenty (120) days after services begin provided a ninety (90) day written notice has been given.





4. INSURANCE COVERAGE, EMPLOYEE TAXES, RATES AND BENEFITS:

Healthcare will provide and pay Workmen's Compensation, General Liability, FICA, Federal and State Unemployment, managers salary, employee hourly wages and benefits for its employees. Should any rate increase occur in any of these categories, the billing will be adjusted to reflect these changes. Healthcare will notify the Facility in writing of the increases and effective dates of these changes.

5. CUSTOMER COOPERATION:

5.1 During the term of this Service Agreement, the Facility will make all of its facilities available to Healthcare so that the aforesaid services may be performed by Healthcare. Further, during the term of this Service Agreement, the Facility will provide Healthcare personnel with the necessary utilities, including but not limited to electricity and water, so that its services may be performed by Healthcare.

5.2 The proposal price is based upon the ongoing operation of the existing laundry equipment of similar or greater capacity to that of the facility at the time of the proposal presentation.

6. GENERAL PROVISIONS:

6.1 Any notices given either party may be given by mail, registered or certified, postage prepaid, with return receipt requested. Mailed notices shall be deemed communicated thirty (30) days after mailing and should be addressed to the parties at the addresses in the introductory paragraph of this Service Agreement, but each party may change its address by written notice in accordance with this paragraph.

6.2 This Service Agreement supersedes any and all other agreements, either oral or written, between the parties hereto with respect to the engagement of Healthcare by the Facility and contains all the covenants and agreements between the parties with respect to its subject matter. This Service Agreement shall not affect or modify any other agreements between the parties with respect to the payment of any existing debts or obligations owed by the Facility to Healthcare.

6.3 This Service Agreement shall be governed and construed in accordance with the laws of the State of the commonwealth of Pennsylvania.

6.4 To the best of Healthcare's ability, the housekeeping and laundry departments will be in complete compliance with all state and federal regulatory agencies.

6.5 Neither party, in the performance of this Service Agreement, shall discriminate against any patient, employee, or other person because of race, color, creed, sex, ancestry, national origin, or handicap. Both parties to this Service Agreement shall comply with the requirements of Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973.

6.6 Healthcare shall, until the expiration of four years after the furnishing of services pursuant to this Service Agreement, upon written request, make available to the Secretary of the Department of Health and Human Services (HHS), or the Secretary's duly authorized representatives, or upon request to the Comptroller General or the Comptroller General's duly authorized representatives, this Service Agreement and such books, documents and records that are necessary to certify the nature and extent of costs under this Service Agreement. This provision shall apply if the amounts paid under the Service Agreement are \$ 10,000 or more over a twelve month period. The availability of Healthcare's books, documents and records shall be subject at all times to such criteria and procedures for seeking or obtaining access as may be promulgated by the Secretary of HHS in regulations and other applicable laws. Healthcare's disclosure under this paragraph shall not be construed as a waiver of any other legal rights to which Healthcare or the Facility may be entitled. Each party will notify the other within 10 days of receipt of a request for access.



If pursuant to this Service Agreement, any of Healthcare's duties and obligations are to be carried out by any individual or entity under a contract with Healthcare with a value of \$10,000 or more, over a twelve month period. The availability of Healthcare's books, documents and records shall be subject at all times to such criteria and procedures for seeking or obtaining access as may be promulgated by the Secretary of HHS in regulations and other applicable laws. Healthcare's disclosure under this paragraph shall not be construed as a waiver of any other legal rights to which Healthcare or the Facility may be entitled. Each party will notify the other within 10 days of receipt of a request for access.

If pursuant to this Service Agreement, any of Healthcare's duties and obligations are to be carried out by any individual or entity under a contract with Healthcare with a value of \$10,000 or more, over a twelve month period, and that subcontractor is to a significant extent, associated or affiliated with, owns, or is owned by or has control of or is controlled by Healthcare, each such subcontractor shall itself be subject to the access requirements and Healthcare shall require such subcontractor to meet the access requirements.

6.7 This Service Agreement shall be binding upon, and inure to the benefit of, the parties and their respective heirs, successors, personal representatives and assigns.

6.8 During the term of this Agreement, and for a period of one year after the termination of this Agreement, neither party shall hire management personnel (i.e., managers or supervisors) (a) still employed by the other; or (b) who had been employed by the other at any time within one year before or after the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto, or their duly authorized officers or agents, have executed, sealed and delivered this Service Agreement, in duplicate, intending to be legally bound hereby.

HEALTHCARE SERVICES GROUP, INC.

By: *Brian Waters*

Print Name: Brian Waters

Title: Vice President Operations

The Woods of Manatee Springs

By: *Robert Hagan*
President

Print Full Name: Bob Hagan

Title: President

*right person
- Eden staffing
including wknds.
RWT*



**HEALTHCARE
SERVICES
GROUP, INC.**

The Woods of Manatee Springs

EXHIBIT II

SUPPLIES

The following is a list of supplies and chemicals provided by Healthcare Services Group, Inc.

Germicidal Detergent
All Purpose Degreaser
Degreaser
Ammoniated Stripper
Floor Finish
Sealer (22% Solid)
Glass Cleaner
Ammonia
Cleanser
Bowl Cleaner
Furniture Cleaner
Furniture Polish
Metal Polish
Carpet Shampoo

Dust Mops and Handles
Dust Cloths
Mops and Mop Handles
Buff Pads
Stripping Pads
All Supplementary Tools For
Light Housekeeping
All Laundry Chemicals

The client will be responsible for the following supplies:

All Paper and plastic for housekeeping
All Hand Soap
All Laundry Equipment Repair
All Hampers, Bins & Racks For The Laundry
All Spreads - Curtains - Pillows
Blankets etc.



PLEASE REMIT A COPY OF THE FIRST PAGE OF THIS INVOICE WITH YOUR PAYMENT OR WRITE THE INVOICE NUMBER (LOCATED AT THE RIGHT TOP CORNER OF YOUR INVOICE) ON YOUR CHECK. THANK YOU



**SUNDANCE REHABILITATION
THERAPY SERVICES INVOICE**
Services for March, 2004

April 2, 2004
Invoice: 10007876

Facility: Woods of Manatee Springs
5827 Ninth Street East
Bradenton, FL 34203

Remit: SUNDANCE REHABILITATION
P.O. Box 18072
Ashburn, VA 20146

Per Diem

Service/Description	Cat	Payor	Ptns	Bill Unit	# Units	Rate	Ext. Amount
TOTAL RUG DAYS	SNF	Medicare A		Days	1880.00		\$116,576.47
OUTLIER DAYS PRIOR MONTH	SNF	Medicare A		Days	80.00		\$5,081.68
Per Diem Total:							\$121,640.15

Physical

Service/Description	Cat	Payor	Ptns	Bill Unit	# Units	Rate	Ext. Amount
PT RUG ALLOCATION	SNF	Medicare A		Each	1.00		\$55,127.49
MEDICARE PART B	SNF	Medicare B		CPT	399.00		\$8,422.68
PT RUG OUTLIER ALLOCATION	SNF	Medicare A		Each	1.00		\$2,916.30
Physical Total:							\$66,466.37

Occupational

Service/Description	Cat	Payor	Ptns	Bill Unit	# Units	Rate	Ext. Amount
OT RUG ALLOCATION	SNF	Medicare A		Each	1.00		\$48,876.63
MEDICARE PART B	SNF	Medicare B		CPT	246.00		\$5,422.84
OT RUG OUTLIER ALLOCATION	SNF	Medicare A		Each	1.00		\$2,189.29
Occupational Total:							\$56,268.86

Speech

Service/Description	Cat	Payor	Ptns	Bill Unit	# Units	Rate	Ext. Amount
ST RUG ALLOCATION	SNF	Medicare A		Each	1.00		\$12,774.35
ST RUG OUTLIER ALLOCATION	SNF	Medicare A		Each	1.00		\$276.09
Speech Total:							\$13,050.44

INVOICE TOTAL: \$135,485.67

STATE OF FLORIDA
AGENCY FOR HEALTH CARE ADMINISTRATION

FILED
ANCA
AGENCY CLERK

2015 SEP -1 P 3:15

THE WOODS OF MANATEE SPRINGS,

Petitioner,

vs.

Engagement No.: NH07-063G

STATE OF FLORIDA, AGENCY FOR
HEALTH CARE ADMINISTRATION,

Respondent.

NOTICE OF VOLUNTARY DISMISSAL

Petitioner, The Woods of Manatee Springs, by and through its undersigned counsel, hereby gives Notice of Voluntary Dismissal the above styled action. Each party will bear their own attorney's fees and costs.

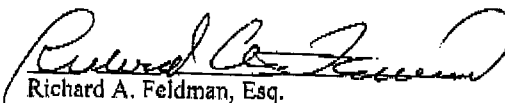
Respectfully submitted,



Richard A. Feldman, Esq.
5627 9th St. East
Bradenton, FL 34203
FL Bar No.: 024130
Email: feldman_richard@yahoo.com
Attorney for Petitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished by facsimile to the Agency Clerk for the Respondent, at facsimile number (850) 921-0158 and to Katharine B. Heyward, Esq., Assistant General Counsel for the Respondent, by email to Katharine.Heyward@ahca.myflorida.com this 1st day of September, 2015.



Richard A. Feldman, Esq.
Attorney for Petitioner

EXHIBIT C