



CAROL WOODS

RETIREMENT COMMUNITY

MEMORANDUM

DATE: May 13, 2010

TO: Chris Taylor
NC Medical Care Commission

FROM: Kenneth Reeb, Jr.
Chapel Hill Residential Retirement Center, Inc.
D/b/a Carol Woods Retirement Community

RE: Transmittal of Community Improvement and Charity Care/
Community Benefit Report for FY 2009

Please find enclosed copies of the following:

1. The Executive Summary of the CCRCs Community Improvement Relationships report.
2. A copy of the **Application for Property Tax Exemption Under G.S. 105-278.6A** that we submitted to the Orange County Tax Assessor reflecting figures for resident revenue, charitable care, and community benefits based upon Carol Woods' audited financial statements as of December 31, 2009.
3. A corresponding 2-page set of notes that outline the sources for the figures presented in the application.
4. An excerpt of Carol Woods' 2009 audited financial statements. Note 8 reports 2009 Resident Revenue. Note 9 reports Carol Woods' Charity Care and Community Benefits provided in 2009.
5. Applicable pages of the 2009 Medicare Cost Report documenting Medicare Part A skilled nursing unreimbursed costs, a supplemental report prepared by our auditors related to Medicare

MEMORANDUM
NC Medical Care Commission
May 13, 2010

Part B rehabilitation unreimbursed costs, and a summary of the underlying Provider & Statistical Report (PS & R).

It should be noted that there is an additional area in which Carol Woods participates in the Medicare program, and incurs unreimbursed health care costs which are not included in the attached application – primary medical care under Medicare Part B. Unlike the Medicare Part A skilled nursing program which requires preparation and filing of an annual cost report, a formal cost report related to primary medical care is not required. As such, the estimates of unreimbursed health care for this area of Carol Woods is more difficult to derive, and has not been completed for the 2009 fiscal year.

We have decided to submit the attached to you, recognizing that the total figure for unreimbursed health care costs is understated. Even without these costs reflected, however, Carol Woods still exceeds the threshold criteria for full exemption from property tax per **G.S. 105-278.6A**.

Please feel free to contact me at 918-3280 if you have any questions about these transmittals.

(Exhibit A)

**North Carolina Medical Care Commission
Executive Summary of the CCRCs Community Improvement Relationships
Continuing Care Retirement Community (CCRC)**

Organization: Carol Woods

Date: May 13, 2010

1. Statement of the CCRC's mission and commitment to charity care/community benefit.

Excerpts from Carol Woods' Mission and Values Statements are as follows:

Mission Statement. "Residents' ongoing needs for social, cultural, intellectual, emotional, recreational, and spiritual enrichment shall be supported through the provision of appropriate resources, encouragement of residents' leadership, participation in and service to Carol Woods and the larger community." **Values Statement.** "We value social accountability while maintaining financial and organizational strength of the Carol Woods' community." "We seek to keep lines of communication open and to nurture ties outside Carol Woods, enabling contributions to the larger community."

This mission and these values, and Carol Woods' commitment to charity care/community benefit, are reflected in various ways. Since 1994, when Carol Woods began receiving Sales and Use Tax refunds, through 2001, the Board, with resident support, designated those proceeds to charitable and community purposes. Over that period, Carol Woods provided almost \$377,500 to an active community grant program, \$50,000 to a discretionary fund for the CEO to make further contributions to local, not for profit community efforts, and \$567,500 for employee assistance programs.

Starting in 2002, the first year in which Carol Woods received property tax exemption, the Board began to provide additional gifts to Orange County, the Town of Chapel Hill, and the local schools to support essential services; while continuing its program of providing charitable care and to giving to other local non-profits and to employee assistance. Since 2002, Carol Woods has reported to the Commission and to Orange County its annual levels of charitable care and community benefits; each year providing more than 5% of its resident revenue to such mission-oriented purposes. Some of the ways in which Carol Woods furthered its mission in 2009 are outlined in #4, below.

2. Describe geographic service area and target populations for community benefits.

The primary service area is Chapel Hill/Carrboro and Orange County. The primary target population is persons 65 years of age or older.

3. Describe the relationships with agencies and organizations with in the community.

Carol Woods' Board of Directors is comprised of community leaders, many of whom have served on agency boards, and who have other ties to community organizations.

The President/CEO and several other senior management and Board members were active participants in formulating the 2007-2011 revision to the Orange County Master Aging Plan. Carol Woods' Director of Community Contacts served on various community advisory local and regional boards including the Orange County Advisory Board on Aging, the Affordable Housing Board, and several senior center Boards. The VP of Finance serves as Treasurer of the Board for Senior Care of Orange County, Inc. -- a community-based non-profit corporation. Carol Woods Director of Assisted Living served as Treasurer of the Board of Project Compassion. In 2009, these individuals devoted over 630 hours of time, supported by Carol Woods, toward these community efforts.

Carol Woods Directors and staff, too, provide numerous hours of education and training for students from many disciplines who spend time on Carol Woods' campus being introduced to principles of geriatric care and the merits of career paths in services to seniors. Staff members serve as student preceptors in a variety of professional disciplines including geriatric nursing practitioner, nursing, social work, nutrition, nursing home administration, and physical and occupational therapy.

2009 was also Year 2 of a 3-year effort in which Carol Woods is working to help forge community connections amongst area aging services, with a key goal being to address challenges that area seniors face during times of health care transitions. This effort is supported in part by The Duke Endowment, but with significant in-kind commitment from Carol Woods, including reallocating the time of a member of Carol Woods' management as full-time project director for the grant. The grant is helping to forge deeper relationships among the Orange and Chatham County Departments on Aging, Piedmont Health Services, the UNC Center on Health and Aging, and other organizations in the community to increase cohesiveness and connections among senior service providers in Orange and Chatham Counties.

4. List current community benefit programs.

The following is an illustrative but not an exhaustive list of the range of community benefit programs supported by Carol Woods:

- \$315,000 was given in 2009 to Orange County, Town of Chapel Hill, and Chapel Hill-Carrboro City Schools to support essential services.
- Community grants totaling @ \$2,200 were given to the various other county agencies and private non-profit organizations to support other community programs related to seniors, including:

NC Medical Care Commission
CCRC Community Improvement Relationships
Executive Summary

- UNC Institute on Aging;
- Project Compassion;
- Charles House Adult Day Center
- Additional funding was also provided to Orange County Department of Human Resources, Friends of the Chapel Hill Senior Center, and other worthy community projects.
- Carol Woods provided subsidization to employees with children or grand children enrolled in the Carol Woods' Children's Center operated by the Chapel Hill/Carrboro YMCA
- Ongoing meal donations were made to the Chapel Hill Homeless Shelter, AIDS House, and Meals on Wheels
- Carol Woods made available to other non-profit groups in the area some of its meeting areas and other campus facilities for such activities as a local Rotary chapter, Project Compassion, Girl Scout troop, etc.

Application for Property Tax Exemption Under G.S. 105-278.6A

Instructions

A facility may be granted a total exclusion under Section 1, G.S. 105-278.6A, (c), provided that conditions (1) through (5) are met **AND** condition (6) a. **OR** (6) b. August 10, 2001 is met.

If the facility qualifies under (6) a. **AND** meets conditions (1) through (5), check this box and do not complete the rest of the form to obtain a total exemption.

--

If the facility qualifies under (6) b. **AND** meets conditions (1) through (5), complete the rest of the form below.

Provide all relevant attachments as noted under each category.

REVENUE

Total Resident Revenue - As Disclosed in Most Recent Audited Financial Statement

(Includes all monthly service fees, fee for service charges, amortized entry fee income for the year, and any fees collected that would not otherwise be amortized into income for the year associated with living in the facility. Excludes investment income, contributions and income from non-resident sources.) Attach Relevant Sections of Most Recent Audited Financial Statements.

(1) 18,771,228

CHARITY CARE

(A) **Unreimbursed Health Care**

(From Medicare/Medicaid or Third Party cost reports, internal resident assistance data certified by the facility or audited financial statements which show amount of unreimbursed costs) Attach Applicable Pages of Cost Reports

344,963

(B) **Unreimbursed Housing and Services**

(From internal assistance reports (Lyons Software or spreadsheet) certified by the facility and/or audited statements which show amount of unreimbursed costs and/or as disclosed in the most recent audited financial statement)

134,100

Total Charity Care

(2) 479,063

COMMUNITY BENEFITS

(Amounts claimed are to be taken from audited financial statements which either footnote the amount or disclose the amount in the statement of operations as a line item and/or can be taken from the documented receipt letters from entities receiving the service, donation or volunteer service, and/or as documented in the Lyons Software or similar spreadsheet program certified by the facility. The amounts are limited to actual expenses incurred by the facility to perform the service and to provide the donation.)

(A) **Services**

(Verifiable unreimbursed expenses incurred by the facility to provide health, recreation, community research, and education activities to the community at large, including the elderly - DOES NOT include resident volunteer time.)

104,884

Application for Property Tax Exemption Under G.S. 105-278.6A

(B) Charitable Donations (Actual cash outlay or equivalent dollar amount of donated items originally acquired by the facility and documented in facility benefit report (Lyons software or spreadsheet) and/or noted in audited financial statements.)	<u>37,511</u>
(C) Donated Volunteer Services (Cost to facility for allowing employees to volunteer in community service projects or organizations and/or actual unreimbursed facility material, space and volunteer time as documented based upon wages paid by the facility for the volunteer during the service period/project.)	<u>47,573</u>
(D) Donations and Voluntary Payments to Government Agencies (Amounts to be taken from Receipted donations/payments from government agency receiving donation/payment when the facility would otherwise not have to pay the agency - goodwill.)	<u>315,000</u>
Total Community Benefits	(3) <u>504,968</u>
Total Community Benefits and Charity Care	(4) <u>984,031</u>

Percentage of Resident Revenue

Total Community Benefits and Charity Care Divided by	(4) <u>984,031</u>
Total Resident Revenue	(1) <u>18,771,228</u>
Percentage of Resident Revenue (4) divided by (1)	<u>5.2%</u>

Exclusion Percentage Based Upon Percent of Resident Revenue Above

% of Revenue	Exclusion %	
5%	100%	
4%	80%	
3%	60%	
2%	40%	
1%	20%	
		Exclusion % <u>100%</u>

Facility Name Chapel Hill Residential Retirement Center, Inc. County Orange
d/b/a Carol Woods

Facility Address 750 Weaver Dairy Road; Chapel Hill, NC 27514

By Signing Below, We Hereby Certify the Information Stated Above is Correct and True as Supported by Our Financial and Facility Records:



 Officer's Signature

Date May 12, 2010

November 28, 2001

SOURCE / REFERENCE

REVENUE

Total Resident Revenue - As Disclosed in Most Recent Audited Financial Statement

1.a. Resident Fees, Including Amortization of Entry Fees:	16,141,526
1.b. Net Health Center Fees:	2,410,068
1.c. Guest Meals & Lodging:	219,634
	18,771,228

(1) 18,771,228

2009 Audited Financials; Statement of Activities; Note 8
2009 Audited Financials; Statement of Activities; Note 8
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CHARITY CARE

(A) Unreimbursed Health Care	
REHAB:	
2.a. MCR B Allowable (Reasonable) Costs:	194,573
2.b. MCR B Program Reimbursements:	(134,261)
2.c. Unreimbursed Medicare Program Costs:	60,312
SNF:	
2.d. MCR A Program Routine Inpatient Costs	602,749
2.e. MCR A Program Capital Costs	19,895
2.f. MCR A Program Ancillary Costs	294,545
2.g. MCR A Program Reimbursements (PPS):	(632,538)
2.h. Unreimbursed Medicare Program Costs:	284,651
2.i. Charitable Care Provided in Health Center	-

344,963

2009 Medicare Part B Loss Worksheet Prepared by Dixon-Hughes (attached);
2009 Medicare Part B Loss Worksheet Prepared by Dixon-Hughes (attached);
2009 Medicare Part B Loss Worksheet Prepared by Dixon-Hughes (attached);
2009 Medicare Cost Report; Worksheet D-1, Part I, Line 23
2009 Medicare Cost Report; Worksheet D-1, Part I, Line 22
2009 Medicare Cost Report; Worksheet D, Part I, Column 4, Line 75
2009 Medicare Cost Report; Worksheet E, Part III, Line 7

Write Offs for Charitable Care; 2009 Audited G/L# 19-88680;

(B) Unreimbursed Housing and Services	
3.a. Resident Assistance Provided	134,100

134,100

Write Offs for Resident Financial Assistance; 2009 Audited G/L# 19-88630;
(2.i and 3.a together add up to Note 8 of 2009 Audit)

Total Charity Care

(2) 479,063

COMMUNITY BENEFITS

(A) Services	
4. In-Kind Community Benefits (Donated Meals; Facility Usage)	104,884

104,884

2009 Audited Financials; Note 9

CAROL WOODS
Supporting Notes to
Application for Property Tax Exemption Under G.S. 105-278.6A
Listing Year 2010; Based Upon Audited Data from 2009 Audited Financial Reports; 2009 Medicare Cost Report;
And Other Supporting Documentation

SOURCE / REFERENCE

(B) Charitable Donations		<u>37,511</u>	
CASH:	5.a. 19-88600 Directed Charitable Use	135	Direct Cash Payments; 2009 Audited G/L# 19-88600
	5.b. 19-88610 CEO Discretionary Charitable	2,069	Direct Cash Payments; 2009 Audited G/L# 19-88610
	5.c. 14-88620 Employee Assistance	3,240	Direct Cash Payments; 2009 Audited G/L# 14-88620
	5.d. 19-88620 Staff/Family Development	32,067	Direct Cash Payments; 2009 Audited G/L# 19-88620
(C) Donated Volunteer Services		<u>47,573</u>	
	6.a. 19-88690 Internal Time Log Sheets	47,573	2009 Audited Financials; Note 8
(D) Donations and Voluntary Payments to Government Agencies		<u>315,000</u>	
CASH:	7.a. Annual Gifts to Local Gov't	315,000	Direct Cash Payments; 2009 Audited G/L# 19-88600
Total Community Benefits		(3) 504,968	
Total Community Benefits and Charity Care		(4) 984,031	

2008, respectively. The total amount of contractual refund obligations under existing contracts (that is, if all residents with a refundable balance were to have withdrawn) totaled \$8,614,958 and \$7,446,408 at December 31, 2009 and 2008, respectively, and is included in deferred revenue from advance fees on the consolidated balance sheets.

8. **Resident Services Revenue**

Resident services revenue represents the estimated net realizable amounts from residents, third-party payors, and others for services rendered. Resident services revenue consists of the following for the years ended December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Resident fees earned, including amortization of advance fees	\$ 16,141,526	\$ 15,391,520
Guests' meals and lodging	219,634	201,562
Health center routine services	6,873,780	6,483,601
Health center special services	950,777	899,431
Adjustments and allowances	<u>(5,414,489)</u>	<u>(5,154,084)</u>
	<u>\$ 18,771,228</u>	<u>\$ 17,822,030</u>

Contractual adjustments represent the difference between the Center's standard health care charges and the amounts that are received for health care services. Medicare contractual adjustments are a result of established allowable rates differing from amounts charged by the Center. Additionally, continuing care contracts signed by each resident contain contractual adjustments for health care charges. For the years ended December 31, 2009 and 2008, net patient service revenue was reduced by third-party payor and resident contractual adjustments of \$5,414,489 and \$5,154,084, respectively.

9. **Charity Care and Community Benefits**

The Center provides assistance to their residents who can no longer financially afford to provide for themselves. This assistance is generally provided in the form of subsidizing the resident's monthly fee due to the Center. The Center is involved in its community through participation in various community outreach and educational programs, direct financial support, donated volunteer services and voluntary payments to government agencies. Charity care and community benefits for the years ended December 31, 2009 and 2008 are summarized as follows:

	<u>2009</u>	<u>2008</u>
Resident assistance / charitable care	\$ <u>134,100</u>	\$ <u>81,472</u>
Community benefits:		
Community benefit	36,594	134,468
Charitable donations	420,801	473,597
Donated volunteer services	<u>47,573</u>	<u>61,494</u>
Total community benefits	<u>504,968</u>	<u>669,559</u>
	<u>\$ 639,068</u>	<u>\$ 751,031</u>

In addition to direct resident assistance and community charitable donations, the Center participates in the Medicare program, which provides payment based on established reimbursement guidelines rather than the Center's established fee for services. Participation in this program results in unreimbursed costs of approximately \$339,000 annually.

10. **Retirement Plans**

The Center sponsors retirement plans under Internal Revenue Code Section 401(a) and 403(b). The plan under Internal Revenue Code Section 401(a) provides for employer-only discretionary contributions for eligible employees. Employees are eligible if they are hired into a position that would normally work 1,000 hours during the plan year or worked at least 1,000 hours during the plan year and are still employed on December 31 of the plan year. The Center's discretionary contribution was based on 4% of eligible compensation for 2009 and 2008. Employees become fully vested after three years of service. Employer contributions to the plan were approximately \$306,000 and \$288,000 for the years ended December 31, 2009 and 2008, respectively.

The plan under Internal Revenue Code Section 403(b) provides for employee only contributions in accordance with Internal Revenue Service guidelines with employee balances being fully vested at all times.

11. **Advertising**

The Center expenses advertising costs as incurred. Advertising expense was approximately \$85,000 and \$99,000 in 2009 and 2008, respectively.

12. **Statutory Operating Reserve Requirements**

North Carolina General Statute Chapter 58, Article 64 sets forth minimum operating reserve requirements. Under this legislation, the Center is required to maintain an operating reserve at least equal to 25% of the upcoming year's total operating costs as defined by the statute. At December 31, 2009 and 2008, management estimated that \$4,463,000 and \$4,476,000, respectively, would be required to meet the operating reserve requirement.

Carol Woods Health Care

Medicare Cost Report

Period: 01/01/09 - 12/31/09

Medicare Part B Analysis - Inpatient

Ancillary	Rev Code	Cost	Charge	Cost to Charge %	Medicare PS&R		Total
					1/1/09-9/30/09	10/1/09-12/31/09	
Physical Therapy	420/424	506,675	335,302	1.5111	7,378	2,535	9,913
Speech Therapy	440	6,474	4,192	1.54437	358	-	358
Occupational Therapy	430/434	26,327	85,962	0.306263	7,703	65	7,768
		539,476	425,456		15,438	2,600	18,038
Gross Reimbursement					13,082	2,027	15,109
					Loss on Part B Inpatient		2,801

Medicare Part B Analysis - Outpatient

Ancillary	Rev Code	Cost	Charge	Cost to Charge %	Medicare PS&R		Total
					1/1/09-9/30/09	10/1/09-12/31/09	
Physical Therapy		506,675	335,302	1.5111	77,610	29,640	107,250
Speech Therapy		6,474	4,192	1.54437	1,853	98	1,950
Occupational Therapy		26,327	85,962	0.306263	23,173	14,658	37,830
		539,476	425,456		102,635	44,395	147,030
Gross Reimbursement					83,896	35,256	119,152
					Loss on Part B Out-Patient		57,511
					Total Part B Loss		60,312

PROVIDER STATISTICAL AND REIMBURSEMENT SYSTEM

Page: 1
Report #: OD44203
Report Type: 225

PROVIDER SUMMARY REPORT
SNF - INPATIENT - FEE REIMBURSED
THESE ITEMS ARE NOT TO BE INCLUDED ON THE MEDICARE COST REPORT

Program ID: REDESIGN
Paid Dates: 10/01/08 THRU 04/16/10
Report Run Date: 04/16/10
Provider FYE: 12/31
Provider Number: 345199 CAROL WOODS HEALTH FACILITY

SERVICES COVERED
NO DTS REQUIRED

STATISTIC SECTION		31	7	1
CLAIMS				

CHARGE SECTION	REV CODE	DESCRIPTION	UNITS	CHARGES	UNITS	CHARGES	UNITS	CHARGES
	0420	PHYSICAL THERP	217	\$7,052.50	64	\$2,080.00	0	\$0.00
	0424	PHYS THERP/EVAL	10	\$325.00	5	\$455.00	0	\$0.00
	0430	OCCUPATION THER	229	\$7,442.50	2	\$65.00	27	\$877.50
	0434	OCCUP THER/EVAL	8	\$260.00	0	\$0.00	1	\$130.00
	0440	SPEECH PATHOL	11	\$357.50	0	\$0.00	0	\$0.00
	TOTAL COVERED CHARGES		475	\$15,437.50	71	\$2,600.00	28	\$1,007.50

REIMBURSEMENT SECTION	GROSS REIMBURSEMENT	LESS	NET REIMBURSEMENT
	\$13,081.62		\$2,027.00
			\$827.86

REIMBURSEMENT SECTION	CASH DEDUCTIBLE	BLOOD DEDUCTIBLE	COINSURANCE	NET MSP PAYMENTS	NET REIMBURSEMENT
	\$0.00	\$0.00	\$405.48	\$0.00	\$1,621.52
					\$662.26

ADDITIONAL INFORMATION SECTION	CLAIM INTEREST PAYMENTS
	\$0.00

PROVIDER STATISTICAL AND REIMBURSEMENT SYSTEM

Page: 1
 Report #: OD44203
 Report Type: 235

PROVIDER SUMMARY REPORT
 SNF - OUTPATIENT - FEE REIMBURSED
 THESE ITEMS ARE NOT TO BE INCLUDED ON THE MEDICARE COST REPORT

Program ID: REDESIGN
 Paid Dates: 10/01/08 THRU 04/16/10
 Report Run Date: 04/16/10
 Provider FYE: T2/31
 Provider Number: 345199 CAROL WOODS HEALTH FACILITY

STATISTICAL AND REIMBURSEMENT SYSTEM
 SNF - OUTPATIENT - FEE REIMBURSED
 THESE ITEMS ARE NOT TO BE INCLUDED ON THE MEDICARE COST REPORT

STATISTIC SECTION	CLAIMS	297	102	25
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CHARGE SECTION	REV CODE	DESCRIPTION	UNITS	CHARGES	UNITS	CHARGES	UNITS	CHARGES
	0420	PHYSICAL THERP	2,238	\$72,735.00	758	\$24,635.00	144	\$4,680.00
	0424	PHYS THERP/VAL	150	\$4,875.00	55	\$5,005.00	12	\$1,560.00
	0430	OCCUPATION THER	665	\$21,612.50	413	\$13,422.50	62	\$2,015.00
	0434	OCCUP THERP/VAL	45	\$1,560.00	17	\$1,235.00	3	\$390.00
	0440	SPEECH PATROL	40	\$1,787.50	3	\$97.50	0	\$0.00
	0444	SPEECH PATH/VAL	2	\$65.00	0	\$0.00	0	\$0.00
		TOTAL COVERED CHARGES	3,140	\$102,635.00	1,246	\$44,395.00	221	\$8,645.00

REIMBURSEMENT SECTION	GROSS REIMBURSEMENT	LESS	NET REIMBURSEMENT
	\$83,895.90	\$35,256.19	\$6,368.33

REIMBURSEMENT SECTION	CASH DEDUCTIBLE	BLOOD DEDUCTIBLE	COINSURANCE	NET MSP PAYMENTS	NET REIMBURSEMENT
	\$524.18	\$0.00	\$16,676.00	\$0.00	\$28,204.47
					\$4,652.95

ADDITIONAL INFORMATION SECTION	CLAIM INTEREST PAYMENTS
	\$0.33

TITLE XVIII SNF
PART I - CALCULATION OF INPATIENT ROUTINE COSTS

INPATIENT DAYS

1	INPATIENT DAYS INCLUDING PRIVATE ROOM DAYS	8,272
2	PRIVATE ROOM DAYS	6,953
3	INPATIENT DAYS INCLUDING PRIVATE ROOM DAYS APPLICABLE TO THE PROGRAM	1,794
4	MEDICALLY NECESSARY PRIVATE ROOM DAYS APPLICABLE TO THE PROGRAM	
5	TOTAL GENERAL INPATIENT ROUTINE SERVICE COST	3,010,157

PRIVATE ROOM DIFFERENTIAL ADJUSTMENT

6	GENERAL INPATIENT ROUTINE SERVICE CHARGES	2,255,015
7	GENERAL INPATIENT ROUTINE SERVICE COST/CHARGE RATIO	1.334872
8	ENTER PRIVATE ROOM CHARGES FROM YOUR RECORDS	1,912,075
9	AVERAGE PRIVATE ROOM PER DIEM CHARGE	275.00
10	ENTER SEMI-PRIVATE ROOM CHARGES FROM YOUR RECORDS	342,940
11	AVERAGE SEMI-PRIVATE ROOM PER DIEM CHARGE	260.00
12	AVERAGE PER DIEM PRIVATE ROOM CHARGE DIFFERENTIAL	15.00
13	AVERAGE PER DIEM PRIVATE ROOM COST DIFFERENTIAL	20.02
14	PRIVATE ROOM COST DIFFERENTIAL ADJUSTMENT	139,199
15	GENERAL INPATIENT ROUTINE SERVICE COST NET OF PRIVATE ROOM COST DIFFERENTIAL	2,870,958

PROGRAM INPATIENT ROUTINE SERVICE COSTS

16	ADJUSTED GENERAL INPATIENT ROUTINE SERVICE COST PER DIEM	347.07
17	PROGRAM ROUTINE SERVICE COST	622,644
18	MEDICALLY NECESSARY PRIVATE ROOM COST APPLICABLE TO PROGRAM	
19	TOTAL PROGRAM GENERAL INPATIENT ROUTINE SERVICE COST	622,644
20	CAPITAL RELATED COST ALLOCATED TO INPATIENT ROUTINE SERVICE COSTS	91,740
21	PER DIEM CAPITAL RELATED COSTS	11.09
22	PROGRAM CAPITAL RELATED COST	19,895
23	INPATIENT ROUTINE SERVICE COST	602,749
24	AGGREGATE CHARGES TO BENEFICIARIES FOR EXCESS COSTS	
25	TOTAL PROGRAM ROUTINE SERVICE COSTS FOR COMPARISON TO THE COST LIMITATION	602,749
26	ENTER THE PER DIEM LIMITATION	
27	INPATIENT ROUTINE SERVICE COST LIMITATION	
28	REIMBURSABLE INPATIENT ROUTINE SERVICE COSTS	622,644

NOTE: Lines 26 and 27 will not be used for reporting periods beginning on and after 7/1/98.

PART II - CALCULATION OF INPATIENT INTERN AND RESIDENTS COST FOR PPS PASSTHROUGH
>> FOR COST REPORTING PERIODS BEGINNING ON AND AFTER 07/01/98 <<

1	TOTAL INPATIENT DAYS	33,507
2	PROGRAM INPATIENT DAYS	1,794
3	INTERN AND RESIDENT COST	
4	RATIO OF PROGRAM DAYS TO TOTAL DAYS	.053541
5	PROGRAM INTERN AND RESIDENT COST FOR PASSTHROUGH	

APPORTIONMENT OF ANCILLARY AND OUTPATIENT COST AND
REDUCTION OF THERAPY COST FOR TITLE XVIII

I PROVIDER NO:
I 34-5199
I
I

IN LIEU OF FORM CMS-2540-96 (12/1999)
I PERIOD: I PREPARED 5/11/2010 (12:42)
I FROM 1/ 1/2009 I WORKSHEET D
I TO 12/31/2009 I PART I
I
I PPS

TITLE XVIII SKILLED NURSING FACILITY

PART I - CALCULATION OF ANCILLARY AND OUTPATIENT COST

COST CENTER	RATIO OF COST TO CHARGES 1	HEALTH CARE PROGRAM CHARGES		HEALTH CARE PROGRAM COSTS	
		PART A 2	PART B 3	PART A 4	PART B 5
ANCILLARY SERVICE COST CENTERS					
21 RADIOLOGY	1.193478	460		549	
22 LABORATORY	.731573	6,189		4,528	
23 INTRAVENOUS THERAPY					
24 OXYGEN (INHALATION) THERA	.795242				
25 PHYSICAL THERAPY	1.511100	127,660		192,907	
26 OCCUPATIONAL THERAPY	.306263	82,095		25,143	
27 SPEECH PATHOLOGY	1.544370	4,192		6,474	
28 ELECTROCARDIOLOGY					
29 MEDICAL SUPPLIES CHARGED	.713377	1,547		1,104	
30 DRUGS CHARGED TO PATIENTS	.807688	79,041		63,840	
31 DENTAL CARE - TITLE XIX O					
32 SUPPORT SURFACES					
33 OTHER ANCILLARY SERVICES					
OUTPATIENT SERVICE COST CENTERS					
34 CLINIC					
35 RURAL HEALTH CLINIC					
36 OTHER OUTPATIENT SERVICES					
48 AMBULANCE					
75 TOTAL		301,184		294,545	

* Line 48 columns 2 and 4 are for title V and XIX. No amounts should be entered here for title XVIII.

CALCULATION OF REIMBURSEMENT SETTLEMENT

I PROVIDER NO:
I 34-5199
I
I

I PERIOD: I PREPARED 5/11/2010 (12:42)
I FROM 1/ 1/2009 I WORKSHEET E
I TO 12/31/2009 I PART III
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PART III - SNF REIMBURSEMENT UNDER PPS

PART A - INPATIENT SERVICE PPS PROVIDER COMPUTATION OF REIMBURSEMENT LESSER OF COST OR CHARGES

TITLE XVIII	SNF	
1	INPATIENT ANCILLARY SERVICES-PART A (SEE INSTRUCTIONS)	
2	INTERNS & RESIDENTS AND MEDICAL EDUCATION COST FOR TITLE XVIII (SEE INSTRUCTIONS)	
3	TOTAL COSTS	
4	MEDICARE INPATIENT ANCILLARY CHARGES (SEE INSTRUCTIONS)	
5	INTERN AND RESIDENT CHARGES (FROM PROVIDER RECORDS)	
6	COST OF COVERED SERVICES	
7	INPATIENT PPS AMOUNT (SEE INSTRUCTIONS)	632,538
8	PRIMARY PAYOR AMOUNTS	
9	COINSURANCE	62,114
10	REIMBURSABLE BAD DEBTS (FROM YOUR RECORDS)	
10.01	ADJUSTED REIMBURSABLE BAD DEBTS FOR PERIODS BEFORE 10/01/2005 (SEE INSTRUCTIONS)	
10.02	REIMBURSABLE BAD DEBTS FOR DUAL ELIGIBLE BENEFICIARIES (SEE INSTRUCTIONS)	
10.03	ADJUSTED REIMBURSABLE BAD DEBTS FOR PERIODS ENDING ON & AFTER 10/01/2005 (INSTR)	
10.04	RECOVERY OF REIMBURSABLE BAD DEBTS FOR DUAL ELIGIBLE BENEFICIARIES	
11	UTILIZATION REVIEW	
12	RECOVERY OF EXCESS DEPRECIATION RESULTING FROM PROVIDER TERMINATION OR A DECREASE IN PROGRAM UTILIZATION	
13	AMOUNTS APPLICABLE TO PRIOR COST REPORTING PERIODS RESULTING FROM DISPOSITION OF ASSETS.	
14	SUBTOTAL (SEE INSTRUCTIONS)	570,424
15	SEQUESTRATION ADJUSTMENT	
16	INTERIM PAYMENTS (SEE INSTRUCTIONS)	570,424
16.01	TENTATIVE ADJUSTMENT (FI ONLY)	
16.20	OTHER ADJUSTMENTS	
17	BALANCE DUE PROVIDER/PROGRAM	
18	PROTESTED AMOUNTS (NONALLOWABLE COST REPORT ITEMS IN ACCORDANCE WITH CMS PUB. 15-II, SECTION 115.2)	

PART B - ANCILLARY SERVICES COMPUTATION OF REIMBURSEMENT LESSER OF COST OR CHARGES - TITLE XVIII ONLY

19	ANCILLARY SERVICES PART B	
20	VACCINE COST (FROM WKST D, PART II, LINE 3)	
21	INTERN AND RESIDENT COST (FROM WORKSHEET D-2)	
22	TOTAL REASONABLE COSTS (SUM OF LINES 19 TO 21)	
23	MEDICARE PART B ANCILLARY CHARGES (SEE INSTRUCTIONS)	
24	INTERN AND RESIDENT CHARGES (FROM PROVIDER RECORDS)	
25	COST OF COVERED SERVICES	
26	PRIMARY PAYOR AMOUNTS	
27	COINSURANCE AND DEDUCTIBLES	
28	REIMBURSABLE BAD DEBTS (FROM YOUR RECORDS)	
29	RECOVERY OF UNREIMBURSED COST UNDER THE LESSER OF REASONABLE COST OR CUSTOMARY CHARGES	
30	80% OF RECOVERY OF UNREIMBURSED COST UNDER THE LESSER OF REASONABLE COST OR CUSTOMARY CHARGES	
31	DECREASE IN PROGRAM UTILIZATION	
32	AMOUNTS APPLICABLE TO PRIOR COST REPORTING PERIODS RESULTING FROM DISPOSITION OF ASSETS	
33	SUBTOTAL	
34	SEQUESTRATION AMOUNT	
35	INTERIM PAYMENTS (SEE INSTRUCTIONS)	
36.01	TENTATIVE ADJUSTMENT (FI ONLY)	
36.20	OTHER ADJUSTMENTS	
37	BALANCE DUE PROVIDER/PROGRAM	
38	PROTESTED AMOUNTS (NONALLOWABLE COST REPORT ITEMS IN ACCORDANCE WITH CMS PUB. 15-II, SECTION 115.2)	