

*State of South Carolina*



*Office of the State Auditor*

1401 MAIN STREET, SUITE 1200  
COLUMBIA, S.C. 29201

RICHARD H. GILBERT, JR., CPA  
DEPUTY STATE AUDITOR

(803) 253-4160  
FAX (803) 343-0723

September 25, 2013

Ms. Sybil L. Tyson, Reimbursement Director  
Special Projects and Planning  
UHS–Pruitt Corporation  
Post Office Box 1210  
Toccoa, Georgia 30577

Re: AC# 3-AMM-F9 – UniHealth Post Acute Care – North Augusta, LLC d/b/a  
UniHealth Post Acute Care – North Augusta

Dear Ms. Tyson:

The accompanying report has been prepared by our office based on your Medicaid Financial and Statistical Report submitted to the Department of Health and Human Services for the cost report period December 1, 2008 through June 30, 2009. That report was used to set the rate covering the contract periods beginning December 1, 2008.

We are recommending that the Department of Health and Human Services certify an accounts receivable to recover amounts due as a result of the rate change shown on Exhibit A. You will be notified of repayment terms by that Agency.

Yours very truly,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/sag

cc: Ms. Brenda L. Hyleman  
Mr. Jeff Saxon  
Ms. Kathleen C. Snider  
Ms. Nicole Mitchell Threat  
Ms. Melissa Simmons

**UNIHEALTH POST ACUTE CARE – NORTH AUGUSTA, LLC  
D/B/A UNIHEALTH POST ACUTE CARE – NORTH AUGUSTA  
NORTH AUGUSTA, SOUTH CAROLINA**

**CONTRACT PERIODS  
BEGINNING DECEMBER 1, 2008  
AC# 3-AMM-F9**

**AGREED-UPON PROCEDURES REPORT  
ON CONTRACT  
FOR  
PURCHASE OF NURSING CARE SERVICES  
WITH  
STATE OF SOUTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

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# State of South Carolina



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### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

July 19, 2013

Department of Health and Human Services  
State of South Carolina  
Columbia, South Carolina

We have performed the procedures enumerated below, which were agreed to by the South Carolina Department of Health and Human Services, solely to compute the rate change and related adjusted reimbursement rate to be used by the Department in determining the reimbursement settlement with UniHealth Post Acute Care – North Augusta, LLC, d/b/a UniHealth Post Acute Care – North Augusta, for the contract periods beginning December 1, 2008, and for the seven month cost report period ended June 30, 2009, as set forth in the accompanying schedules. The management of UniHealth Post Acute Care – North Augusta, LLC, d/b/a UniHealth Post Acute Care – North Augusta is responsible for the Financial and Statistical Report for Nursing Homes and supporting accounting and statistical records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the South Carolina Department of Health and Human Services. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.


The procedures and the associated findings are as follows:

1. We selected costs or areas based on our analytical procedures applied to the reimbursable Medicaid program costs as shown on the Financial and Statistical Report for Nursing Homes, as filed by UniHealth Post Acute Care – North Augusta, LLC, d/b/a UniHealth Post Acute Care – North Augusta, to determine if these costs were allowable as defined by the State Plan for Medicaid reimbursement purposes and supported by accounting and statistical records maintained by the Provider. Our findings as a result of these procedures are presented in the Summaries of Costs and Total Patient Days, Adjustment Report, and Cost of Capital Reimbursement Analyses sections of this report.
2. We recomputed the Computation of Reimbursement Rate using the adjusted costs and calculated the rate change in accordance with the provisions of the contract between the South Carolina Department of Health and Human Services and UniHealth Post Acute Care – North Augusta, LLC, d/b/a UniHealth Post Acute Care – North Augusta dated as of October 1, 2006, as amended. Our findings as a result of these procedures are presented in the Computation of Rate Change and Computations of Adjusted Reimbursement Rate sections of this report.

Department of Health and Human Services  
State of South Carolina  
July 19, 2013

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the financial statements or a part thereof. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the South Carolina Department of Health and Human Services and is not intended to be and should not be used by anyone other than the specified party.

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**

Computation of Rate Change  
For the Contract Periods  
Beginning December 1, 2008  
AC# 3-AMM-F9

	12/01/08- <u>06/30/09</u>	07/01/09- <u>09/30/09</u>	10/01/09- <u>09/30/10</u>
Interim Reimbursement Rate (1)	\$168.07	\$175.79	\$184.87
Adjusted Reimbursement Rate	<u>161.62</u>	<u>169.03</u>	<u>172.52</u>
Decrease in Reimbursement Rate	\$ <u>6.45</u>	\$ <u>6.76</u>	\$ <u>12.35</u>

(1) Interim reimbursement rate from the South Carolina Medicaid Management Information System (MMIS) Provider Rate Listing dated April 10, 2012.

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period December 1, 2008 Through June 30, 2009  
 AC# 3-AMM-F9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 85.47	\$ 91.71	
Dietary		15.93	14.35	
Laundry/Housekeeping/Maintenance		<u>18.16</u>	<u>13.01</u>	
Subtotal	\$ <u>-</u>	119.56	119.07	\$119.07
Administration & Medical Records	\$ <u>-</u>	<u>23.40</u>	<u>19.30</u>	<u>19.30</u>
Subtotal		142.96	<u>\$138.37</u>	138.37
<u>Costs Not Subject to Standards:</u>				
Utilities		4.18		4.18
Special Services		.58		.58
Medical Supplies & Oxygen		7.14		7.14
Taxes and Insurance		3.59		3.59
Legal Fees		<u>.44</u>		<u>.44</u>
<b>TOTAL</b>		<u>\$158.89</u>		154.30
Inflation Factor (N/A)				-
Cost of Capital				7.40
Cost of Capital Limitation				(.08)
Profit Incentive (Maximum 3.5% of Allowable Cost)				-
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				<u>-</u>
ADJUSTED REIMBURSEMENT RATE				<u>\$161.62</u>

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period July 1, 2009 Through September 30, 2009  
 AC# 3-AMM-F9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 85.47	\$ 91.71	
Dietary		15.93	14.35	
Laundry/Housekeeping/Maintenance		<u>18.16</u>	<u>13.01</u>	
Subtotal	\$ <u>-</u>	119.56	119.07	\$119.07
Administration & Medical Records	\$ <u>-</u>	<u>23.40</u>	<u>19.30</u>	<u>19.30</u>
Subtotal		142.96	<u>\$138.37</u>	138.37
<u>Costs Not Subject to Standards:</u>				
Utilities		4.18		4.18
Special Services		.58		.58
Medical Supplies & Oxygen		7.14		7.14
Taxes and Insurance		3.59		3.59
Legal Fees		<u>.44</u>		<u>.44</u>
<b>TOTAL</b>		<u>\$158.89</u>		154.30
Inflation Factor (4.80%)				7.41
Cost of Capital				7.40
Cost of Capital Limitation				(.08)
Profit Incentive (Maximum 3.5% of Allowable Cost)				-
Cost Incentive				-
Effect of \$1.75 Cap on Cost/Profit Incentives				<u>-</u>
<b>ADJUSTED REIMBURSEMENT RATE</b>				<u>\$169.03</u>



**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Computation of Adjusted Reimbursement Rate  
 For the Contract Period October 1, 2009 Through September 30, 2010  
 AC# 3-AMM-F9

	<u>Incentives</u>	<u>Allowable Cost</u>	<u>Cost Standard</u>	<u>Computed Rate</u>
<u>Costs Subject to Standards:</u>				
General Services		\$ 85.47	\$ 97.38	
Dietary		15.93	15.36	
Laundry/Housekeeping/Maintenance		<u>18.16</u>	<u>13.85</u>	
Subtotal	\$ <u>7.03</u>	119.56	126.59	\$119.56
Administration & Medical Records	\$ <u>-</u>	<u>23.40</u>	<u>20.61</u>	<u>20.61</u>
Subtotal		142.96	<u>\$147.20</u>	140.17
<u>Costs Not Subject to Standards:</u>				
Utilities		4.18		4.18
Special Services		.58		.58
Medical Supplies & Oxygen		7.14		7.14
Taxes and Insurance		3.59		3.59
Legal Fees		<u>.44</u>		<u>.44</u>
<b>TOTAL</b>		<u>\$158.89</u>		156.10
Inflation Factor (4.70%)				7.34
Cost of Capital				7.46
Cost of Capital Limitation				(.13)
Profit Incentive (Maximum 3.5% of Allowable Cost)				-
Cost Incentive				7.03
Effect of \$1.75 Cap on Cost/Profit Incentives				<u>(5.28)</u>
<b>ADJUSTED REIMBURSEMENT RATE</b>				<u>\$172.52</u>

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**

Summary of Costs and Total Patient Days

For the Cost Report Period Ended June 30, 2009

For the Contract Periods December 1, 2008 Through September 30, 2009

AC# 3-AMM-F9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	<u>Debit</u>	Adjustments <u>Credit</u>	<u>Adjusted Totals</u>
General Services	\$2,467,060	\$ 7,840 (7)	\$ 20,375 (8)	\$2,296,157
		697 (10)	144,023 (9)	
			3 (10)	
			14,318 (19)	
			721 (19)	
Dietary	421,431	9,470 (7)	6,742 (10)	427,993
		5,299 (8)	237 (18)	
			1,228 (19)	
Laundry	36,109	-	1,998 (10)	34,111
Housekeeping	191,785	2,517 (7)	1,601 (10)	191,221
			294 (18)	
			1,186 (19)	
Maintenance	635,670	8,257 (11)	219,625 (2)	262,433
			8,000 (3)	
			5,457 (5)	
			9,238 (10)	
			134,819 (13)	
			2,344 (17)	
			1,555 (18)	
			456 (19)	
Administration & Medical Records	616,823	1,750 (1)	847 (8)	628,668
		5,457 (5)	187 (10)	
		80,737 (11)	244 (10)	
			32,871 (17)	
			40,275 (18)	
			1,434 (19)	
			241 (19)	

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended June 30, 2009  
 For the Contract Periods December 1, 2008 Through September 30, 2009  
 AC# 3-AMM-F9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
Utilities	111,991	794 (11)	583 (17)	112,202
Special Services	17,507	-	630 (7) 328 (10) 1,068 (14) 4 (19)	15,477
Medical Supplies & Oxygen	380,926	-	71,739 (6) 19,197 (7) 17,826 (10) 79,672 (14) 740 (18)	191,752
Taxes and Insurance	77,368	20,078 (4) 487 (11)	1,505 (17)	96,428
Legal Fees	10,297	5,718 (11)	4,203 (17)	11,812
Cost of Capital	195,874	3,783 (2) 3,535 (11) <u>5,630 (15)</u>	5,006 (12) 4,956 (17)	198,860
Subtotal	5,162,841	162,049	857,776	4,467,114
Ancillary	188,679	-	31 (10)	188,648

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended June 30, 2009  
For the Contract Periods December 1, 2008 Through September 30, 2009  
AC# 3-AMM-F9

<u>Expenses</u>	Totals (From Schedule SC 13) as Adjusted by DH&HS	Adjustments		Adjusted Totals
		<u>Debit</u>	<u>Credit</u>	
Nonallowable	1,099,025	8,000 (3)	15,001 (1)	1,520,447
		71,739 (6)	2,142 (2)	
		15,923 (8)	20,078 (4)	
		144,023 (9)	99,528 (11)	
		37,501 (10)	5,630 (15)	
		5,006 (12)		
		134,819 (13)		
		80,740 (14)		
		46,462 (17)		
		19,588 (19)		
 CNA Training and Testing	 <u>600</u>	 <u>-</u>	 <u>-</u>	 <u>600</u>
Total Operating Expenses	 <u>\$6,451,145</u>	 <u>\$725,850</u>	 <u>\$1,000,186</u>	 <u>\$6,176,809</u>
 Total Patient Days	 <u>26,738</u>	 <u>127 (20)</u>	 <u>-</u>	 <u>26,865</u>
 Total Beds	 <u>132</u>			

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended June 30, 2009  
 For the Contract Period October 1, 2009 Through September 30, 2010  
 AC# 3-AMM-F9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments		<u>Adjusted Totals</u>
		<u>Debit</u>	<u>Credit</u>	
General Services	\$2,467,060	\$ 7,840 (7) 697 (10)	\$ 20,375 (8) 144,023 (9) 3 (10) 14,318 (19) 721 (19)	\$2,296,157
Dietary	421,431	9,470 (7) 5,299 (8)	6,742 (10) 237 (18) 1,228 (19)	427,993
Laundry	36,109	-	1,998 (10)	34,111
Housekeeping	191,785	2,517 (7)	1,601 (10) 294 (18) 1,186 (19)	191,221
Maintenance	635,670	8,257 (11)	219,625 (2) 8,000 (3) 5,457 (5) 9,238 (10) 134,819 (13) 2,344 (17) 1,555 (18) 456 (19)	262,433
Administration & Medical Records	616,823	1,750 (1) 5,457 (5) 80,737 (11)	847 (8) 187 (10) 244 (10) 32,871 (17) 40,275 (18) 1,434 (19) 241 (19)	628,668

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**

Summary of Costs and Total Patient Days  
For the Cost Report Period Ended June 30, 2009  
For the Contract Period October 1, 2009 Through September 30, 2010  
AC# 3-AMM-F9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
Utilities	111,991	794 (11)	583 (17)	112,202
Special Services	17,507	-	630 (7) 328 (10) 1,068 (14) 4 (19)	15,477
Medical Supplies & Oxygen	380,926	-	71,739 (6) 19,197 (7) 17,826 (10) 79,672 (14) 740 (18)	191,752
Taxes and Insurance	77,368	20,078 (4) 487 (11)	1,505 (17)	96,428
Legal Fees	10,297	5,718 (11)	4,203 (17)	11,812
Cost of Capital	196,028	3,783 (2) 3,535 (11) <u>7,039 (16)</u>	5,006 (12) 4,956 (17)	200,423
Subtotal	5,162,995	163,458	857,776	4,468,677
Ancillary	188,679	-	31 (10)	188,648

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Summary of Costs and Total Patient Days  
 For the Cost Report Period Ended June 30, 2009  
 For the Contract Period October 1, 2009 Through September 30, 2010  
 AC# 3-AMM-F9

<u>Expenses</u>	Totals (From Schedule SC 13) as <u>Adjusted by DH&amp;HS</u>	Adjustments <u>Debit</u>	<u>Credit</u>	<u>Adjusted Totals</u>
Nonallowable	1,098,871	8,000 (3)	15,001 (1)	1,518,884
		71,739 (6)	2,142 (2)	
		15,923 (8)	20,078 (4)	
		144,023 (9)	99,528 (11)	
		37,501 (10)	7,039 (16)	
		5,006 (12)		
		134,819 (13)		
		80,740 (14)		
		46,462 (17)		
		19,588 (19)		
CNA Training and Testing	<u>600</u>	<u>-</u>	<u>-</u>	<u>600</u>
Total Operating Expenses	<u>\$6,451,145</u>	<u>\$727,259</u>	<u>\$1,001,595</u>	<u>\$6,176,809</u>
Total Patient Days	<u>26,738</u>	<u>127</u> (20)	<u>-</u>	<u>26,865</u>
Total Beds	<u>132</u>			

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
Adjustment Report  
Cost Report Period Ended June 30, 2009  
AC# 3-AMM-F9

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
1	Start-Up Costs Administration Accumulated Amortization Nonallowable	\$ 15,001 1,750	  \$ 1,750 15,001
	To record start-up costs and related amortization HIM-15-1, Section 2132 State Plan, Attachment 4.19D		
2	Fixed Assets Cost of Capital Accumulated Depreciation Maintenance Nonallowable	221,767 3,783	  3,783 219,625 2,142
	To capitalize expense HIM-15-1, Section 108 State Plan, Attachment 4.19D		
3	Nonallowable Maintenance	8,000	 8,000
	To adjust expense which was capitalized HIM-15-1, Section 108		
4	Taxes and Insurance Nonallowable	20,078	 20,078
	To adjust property taxes HIM-15-1, Sections 2302.1 and 2304		
5	Administration Maintenance	5,457	 5,457
	To reclassify expense to the proper cost center DH&HS Expense Crosswalk		



**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Adjustment Report  
 Cost Report Period Ended June 30, 2009  
 AC# 3-AMM-F9

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
6	Nonallowable Medical Supplies & Oxygen	71,739	71,739
	To disallow inventory expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
7	Nursing Dietary Housekeeping Medical Supplies & Oxygen Special Services - Therapy	7,840 9,470 2,517	19,197 630
	To reclassify expenses to the proper cost centers DH&HS Expense Crosswalk		
8	Dietary Nonallowable Nursing Administration	5,299 15,923	20,375 847
	To adjust related party United Clinical expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
9	Nonallowable Nursing	144,023	144,023
	To reclassify incremental wages associated with the vent unit State Plan, Attachment 4.19D		

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
Adjustment Report  
Cost Report Period Ended June 30, 2009  
AC# 3-AMM-F9

<u>ADJUSTMENT NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
10	Nonallowable	37,501	
	Nursing	697	
	Restorative		3
	Dietary		6,742
	Laundry		1,998
	Housekeeping		1,601
	Maintenance		9,238
	Administration		244
	Medical Records		187
	Medical Supplies & Oxygen		17,826
	Special Services - Therapy		328
	Ancillary		31
	To adjust related party United Medical expense HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
11	Maintenance	8,257	
	Administration	80,737	
	Legal	5,718	
	Utilities	794	
	Taxes and Insurance	487	
	Cost of Capital	3,535	
	Nonallowable		99,528
	To adjust home office costs HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
12	Nonallowable	5,006	
	Other Equity	101,950	
	Fixed Assets		2,812
	Accumulated Depreciation		99,138
	Cost of Capital		5,006
	To adjust fixed assets and related depreciation HIM-15-1, Section 2304 State Plan, Attachment 4.19D		

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
Adjustment Report  
Cost Report Period Ended June 30, 2009  
AC# 3-AMM-F9

ADJUSTMENT NUMBER	ACCOUNT TITLE	DEBIT	CREDIT
13	Nonallowable Maintenance	134,819	134,819
	To adjust expense which was capitalized HIM-15-1, Section 108		
14	Nonallowable Medical Supplies & Oxygen Special Services - Therapy	80,740	79,672 1,068
	To remove special (ancillary) services reimbursed by Medicare State Plan, Attachment 4.19D		
15	Cost of Capital Nonallowable	5,630	5,630
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate periods 12/1/08 - 9/30/09)		
16	Cost of Capital Nonallowable	7,039	7,039
	To adjust capital return State Plan, Attachment 4.19D (This adjustment applies only to the rate period 10/1/09 - 9/30/10)		
17	Nonallowable Maintenance Administration Legal Utilities Taxes and Insurance Cost of Capital	46,462	2,344 32,871 4,203 583 1,505 4,956
	To adjust home office costs HIM-15-1, Section 2304 State Plan, Attachment 4.19D		

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Adjustment Report  
 Cost Report Period Ended June 30, 2009  
 AC# 3-AMM-F9

<u>ADJUSTMENT</u> <u>NUMBER</u>	<u>ACCOUNT TITLE</u>	<u>DEBIT</u>	<u>CREDIT</u>
18	Retained Earnings	43,101	
	Dietary		237
	Housekeeping		294
	Maintenance		1,555
	Administration		40,275
	Medical Supplies & Oxygen		740
	To properly charge expenses applicable to the prior period HIM-15-1, Section 2302.1		
19	Nonallowable	19,588	
	Nursing		14,318
	Restorative		721
	Dietary		1,228
	Housekeeping		1,186
	Maintenance		456
	Administration		1,434
	Medical Records		241
	Special Services - Therapy		4
	To adjust fringe benefits and related allocation HIM-15-1, Section 2304 State Plan, Attachment 4.19D		
20	<u>Memo Adjustment:</u> To increase total patient days by 127 to 26,865		
		<hr/>	<hr/>
	TOTAL ADJUSTMENTS	<u>\$1,114,708</u>	<u>\$1,114,708</u>

Due to the nature of compliance reporting, adjustment descriptions and references contained in the preceding Adjustment Report are provided for general guidance only and are not intended to be all-inclusive.

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**

Cost of Capital Reimbursement Analysis

For the Cost Report Period Ended June 30, 2009

For the Contract Periods December 1, 2008 Through September 30, 2009

AC# 3-AMM-F9

Original Asset Cost (Per Bed)	\$ 15,618	\$ 15,618	
Inflation Adjustment	<u>2.94141</u>	<u>2.94141</u>	
Deemed Asset Value (Per Bed)	45,939	45,939	
Number of Beds	<u>121</u>	<u>11</u>	
Deemed Asset Value	5,558,619	505,329	
Improvements Since 1981	1,355,675	114,810	
Accumulated Depreciation at 6/30/09	<u>(2,270,733)</u>	<u>(231,334)</u>	
Deemed Depreciated Value	4,643,561	388,805	
Market Rate of Return	<u>.0483</u>	<u>.0483</u>	
Total Annual Return	224,284	18,779	
Number of Days in Period	<u>212/365</u>	<u>212/365</u>	
Adjusted Annual Return	130,269	10,907	
Return Applicable to Non-Reimbursable Cost Centers	-	-	
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>	<u>-</u>	
Allowable Annual Return	130,269	10,907	
Depreciation Expense	48,737	8,465	
Amortization Expense	729	66	
Capital Related Income Offsets	(287)	(26)	
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>	<u>-</u>	<u>Total</u>
Allowable Cost of Capital Expense	179,448	19,412	\$198,860
Total Patient Days (Minimum 96% Occupancy)	<u>24,626</u>	<u>2,239</u>	<u>26,865</u>
Cost of Capital Per Diem	\$ <u>7.29</u>	\$ <u>8.67</u>	\$ <u>7.40</u>

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
Cost of Capital Reimbursement Analysis  
For the Cost Report Period Ended June 30, 2009  
For the Contract Periods December 1, 2008 Through September 30, 2009  
AC# 3-AMM-F9

6/30/89 Cost of Capital and Return on Equity Capital Per Diem Reimbursement	\$3.21	\$ N/A
Adjustment for Maximum Increase	<u>3.99</u>	<u>N/A</u>
Maximum Cost of Capital Per Diem	<u>\$7.20</u>	<u>\$8.67</u>
Reimbursable Cost of Capital Per Diem		\$7.32
Cost of Capital Per Diem		<u>7.40</u>
Cost of Capital Per Diem Limitation		<u>\$ (.08)</u>

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**  
 Cost of Capital Reimbursement Analysis  
 For the Cost Report Period Ended June 30, 2009  
 For the Contract Period October 1, 2009 Through September 30, 2010  
 AC# 3-AMM-F9

Original Asset Cost (Per Bed)	\$ 15,618	\$ 15,618	
Inflation Adjustment	<u>3.03131</u>	<u>3.03131</u>	
Deemed Asset Value (Per Bed)	47,343	47,343	
Number of Beds	<u>121</u>	<u>11</u>	
Deemed Asset Value	5,728,503	520,773	
Improvements Since 1981	1,355,675	114,810	
Accumulated Depreciation at 6/30/09	<u>(2,270,733)</u>	<u>(231,334)</u>	
Deemed Depreciated Value	4,813,445	404,249	
Market Rate of Return	<u>.0471</u>	<u>.0471</u>	
Total Annual Return	226,713	19,040	
Number of Days in Period	<u>212/365</u>	<u>212/365</u>	
Adjusted Annual Return	131,680	11,059	
Return Applicable to Non-Reimbursable Cost Centers	-	-	
Allocation of Interest to Non-Reimbursable Cost Centers	<u>-</u>	<u>-</u>	
Allowable Annual Return	131,680	11,059	
Depreciation Expense	48,737	8,465	
Amortization Expense	729	66	
Capital Related Income Offsets	(287)	(26)	
Allocation of Capital Expenses to Non-Reimbursable Cost Centers	<u>-</u>	<u>-</u>	<u>Total</u>
Allowable Cost of Capital Expense	180,859	19,564	\$200,423
Total Patient Days (Minimum 96% Occupancy)	<u>24,626</u>	<u>2,239</u>	<u>26,865</u>
Cost of Capital Per Diem	\$ <u>7.34</u>	\$ <u>8.74</u>	\$ <u>7.46</u>

**UNIHEALTH POST ACUTE CARE - NORTH AUGUSTA**

Cost of Capital Reimbursement Analysis  
For the Cost Report Period Ended June 30, 2009  
For the Contract Period October 1, 2009 Through September 30, 2010  
AC# 3-AMM-F9

6/30/89 Cost of Capital and Return on Equity Capital Per Diem Reimbursement	\$3.21	\$ N/A
Adjustment for Maximum Increase	<u>3.99</u>	<u>N/A</u>
Maximum Cost of Capital Per Diem	<u>\$7.20</u>	<u>\$8.74</u>
Reimbursable Cost of Capital Per Diem		\$7.33
Cost of Capital Per Diem		<u>7.46</u>
Cost of Capital Per Diem Limitation		<u>\$ (.13)</u>



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