STATE OF NEW YORK
OFFICE OF THE MEDICAID INSPECTOR GENERAL
800 North Pearl Street
Albany, New York 12204

ANDREW M. CUOMO
GOVERNOR

JAMES C. COX
MEDICAID INSPECTOR GENERAL

May 15, 2014

[redacted]
Terence Cardinal Cooke Health Care Center
Catholic Health Care System
205 Lexington Avenue 2nd Floor
New York, New York 10016

Re: Medicaid Rate Audit #11-3759
NPI Number: [redacted]
Provider Number: [redacted]

Dear [redacted]

Enclosed is the final audit report of the Office of the Medicaid Inspector General's (the "OMIG") audit of Terence Cardinal Cooke Health Care Center's (the "Facility") Medicaid rates for the rate period January 1, 2006 through December 31, 2008. In accordance with 18 NYCRR Section 517.6, this report represents the OMIG's final determination on issues raised in the draft audit report.

Since you did not respond to our draft audit report date April 4, 2014, the findings in the final audit report remain identical to the draft audit report. As previously stated in the draft audit report, the Medicare Part B and D offsets were not within the scope of the review and may be examined as part of a future audit. Based on the enclosed audited rates calculated by the Bureau of Long Term Care Reimbursement, the Medicaid overpayment currently due is $1,817,257. This overpayment is subject to Department of Health ("DOH") and Division of Budget ("DOB") final approval. While not anticipated, any difference between the calculated overpayment and the final DOH and DOB approved amount will be resolved with the Facility by the OMIG Bureau of Collections Management.

In accordance with 18 NYCRR Part 518 which regulates the collection of overpayments, your repayment options are described below.

OPTION #1: Make full payment by check or money order within 20 days of the date of the final audit report. The check should be made payable to the New York State Department of Health and be sent with the attached Remittance Advice to:

New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #11-3759
Albany, New York 12237-0048

OPTION #2: Enter into a repayment agreement with the Office of the Medicaid Inspector General. If your repayment terms exceed 90 days from the date of the final audit report, recoveries of amounts due are subject to interest charges at the prime rate plus 2%. If the process of establishing the repayment agreement exceeds 20 days from the date of the final audit report, the OMIG will impose a 50% withhold after 20 days until an agreement is established. OMIG acceptance of the repayment agreement is based on your repaying the Medicaid overpayment as agreed. The OMIG will adjust the rate of recovery, or require payment in full, if your unpaid balance is not being repaid as agreed. In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against any amount owed. If you wish to enter into a repayment agreement, please contact the Bureau of Collections Management within 20 days at the following:

Bureau of Collections Management
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

You have the right to challenge this action and determination by requesting an administrative hearing within sixty (60) days of the date of this notice. You may not request a hearing to raise issues related to rate setting or rate setting methodology. In addition, you may not raise any issue that was raised or could have been raised at a rate appeal with your rate setting agency. You may only request a hearing to challenge specific audit adjustments which you challenged in a response to the draft audit report.

If you wish to request a hearing, the request must be submitted in writing to:

General Counsel
Office of Counsel
New York State Office of the Medicaid Inspector General
800 North Pearl Street
Albany, New York 12204

Questions regarding the request for a hearing should be directed to the Office of Counsel at

If a hearing is held, you may have a person represent you or you may represent yourself. If you choose to be represented by someone other than an attorney, you must supply a signed authorization permitting that person to represent you along with your hearing request. At the hearing, you may call witnesses and present documentary evidence on your behalf.

Should you have any questions, please contact or through email at . Please refer to audit number 11-3759 in all correspondence.

Sincerely

Bureau of Rate Audit
Division of Medicaid Audit
Office of the Medicaid Inspector General

Enclosures:

EXHIBIT I - Summary of Per Diem Impact and Medicaid Overpayment
EXHIBIT II - Summary of Medicaid Rates Audited
EXHIBIT III - Property Expense Disallowances/(Allowances) SNF
EXHIBIT IV - Property Expense Disallowances/(Allowances) AIDS
EXHIBIT V - Traceback Percentage Changes 2006
EXHIBIT VI - Traceback Percentage Changes 2007
EXHIBIT VII - Traceback Percentage Changes 2008
EXHIBIT VIII - Correction of Patient Days

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE

NAME AND ADDRESS OF AUDITEE	NPI #: [redacted] PROVIDER #: [redacted]
Terence Cardinal Cooke HCC Catholic Health Care System 205 Lexington Ave 2nd Floor New York, New York 10016	AUDIT #11-3759
AMOUNT DUE: $1,817,257	AUDIT TYPE [ ] PROVIDER [X] RATE [ ] PART B [ ] OTHER:

CHECKLIST

1. To ensure proper credit, please enclose this form with your check.
2. Make checks payable to: *New York State Department of Health*
3. Record the Audit Number on your check.
4. Mail check to:

[redacted]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #11-3759
Albany, New York 12237-0048

5. If the provider number shown above is incorrect, please enter the correct number below.

CORRECT PROVIDER NUMBER

EXHIBIT I

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
SUMMARY OF PER DIEM IMPACT AND MEDICAID OVERPAYMENT

RATE PERIOD	ISSUED PART B & D NON-ELIGIBLE RATES*	FINAL PART B & D NON-ELIGIBLE RATES	RATE DECREASE (INCREASE)	MEDICAID DAYS	MEDICAID OVERPAYMENT
NURSING FACILITY					
01/01/06 - 03/31/06	$245.61	$245.85	($0.24)	38,122	$ (9,149)
04/01/06 - 06/30/06	250.00	250.24	(0.24)	38,668	(9,280)
07/01/06 - 09/30/06	252.78	253.02	(0.24)	39,400	(9,456)
10/01/06 - 12/31/06	254.07	254.31	(0.24)	39,145	(9,395)
01/01/07 - 03/31/07	282.78	272.02	10.76	37,704	405,695
04/01/07 - 06/30/07	281.37	270.61	10.76	38,135	410,333
07/01/07 - 08/31/07	271.87	261.11	10.76	25,603	275,488
09/01/07 - 12/31/07	271.87	261.11	10.76	50,604	544,499
01/01/08 - 03/31/08	269.48	268.83	0.65	36,678	23,841
04/01/08 - 06/30/08	260.46	259.81	0.65	36,015	23,410
07/01/08 - 12/31/08	273.07	272.42	0.65	75,171	48,861
MEDICAID OVERPAYMENT - NURSING FACILITY					$ 1,694,847
AIDS UNIT					
01/01/06 - 03/31/06	$492.38	$491.70	$0.68	11,334	$ 7,707
04/01/06 - 06/30/06	485.76	485.08	0.68	12,544	8,530
07/01/06 - 09/30/06	491.59	490.91	0.68	12,808	8,709
10/01/06 - 12/31/06	488.84	488.16	0.68	12,685	8,626
01/01/07 - 03/31/07	506.47	505.75	0.72	12,162	8,757
04/01/07 - 06/30/07	503.56	502.84	0.72	12,857	9,257
07/01/07 - 08/31/07	496.13	495.41	0.72	8,806	6,340
09/01/07 - 12/31/07	496.13	495.41	0.72	17,224	12,401
01/01/08 - 03/31/08	508.29	507.25	1.04	12,523	13,024
04/01/08 - 12/31/08	504.42	503.38	1.04	37,557	39,059
MEDICAID OVERPAYMENT - AIDS UNIT					$ 122,410
TOTAL MEDICAID OVERPAYMENT					**$ 1,817,257**

* Any differences between these rates and the rates listed in Exhibit II of this audit report represent rate changes made subsequent to OMIG's audit. These changes remain open to future audit by the OMIG. For the purpose of this Exhibit, the Medicare Part B and D rates are not shown. The rate decrease/(increase) for those rates is the same as shown for the Medicare Part B and D non-eligible rates above.

EXHIBIT II

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
SUMMARY OF MEDICAID RATES AUDITED

The Facility's Medicaid utilization for the Nursing Facility Unit was approximately 85 percent, and for the AIDS Unit it was approximately 96%, for the period under audit. The Medicaid per diem rates audited are shown below. Any differences between these rates and the "Issued Rates" listed in Exhibit I of this audit report represent rate changes made subsequent to our audit. These changes remain open to future audit by the OMIG.

RATE PERIOD	ISSUED MEDICARE PART B & D NON-ELIGIBLE RATES *
NURSING FACILITY	
01/01/06 - 03/31/06	$ 245.61
04/01/06 - 06/30/06	250.00
07/01/06 - 09/30/06	252.78
10/01/06 - 12/31/06	254.07
01/01/07 - 03/31/07	282.78
04/01/07 - 06/30/07	281.37
07/01/07 - 08/31/07	271.87
09/01/07 - 12/31/07	271.87
01/01/08 - 03/31/08	269.48
04/01/08 - 06/30/08	260.46
07/01/08 - 12/31/08	273.07

RATE PERIOD	ISSUED MEDICARE PART B & D NON-ELIGIBLE RATES *
AIDS UNIT	
01/01/06 - 03/31/06	$ 492.38
04/01/06 - 06/30/06	485.76
07/01/06 - 09/30/06	491.59
10/01/06 - 12/31/06	488.84
01/01/07 - 03/31/07	506.47
04/01/07 - 06/30/07	503.56
07/01/07 - 08/31/07	496.13
09/01/07 - 12/31/07	496.13
01/01/08 - 03/31/08	508.29
04/01/08 - 12/31/08	504.42

* The Medicare Part B and D rates are not shown for the purpose of this Exhibit. The Medicare Part B and D offsets were not within the scope of this audit and may be examined as part of a future audit.

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES) - NURSING FACILITY

	DESCRIPTION	COST CTR.	DISALLOWED (ALLOWED)	TRACE-BACK %	RATE PERIODS 2006	2007	2008
Property Expense Allowed per HE-12B					$ 2,368,862	$ 5,131,606	$ 3,179,405
Less Disallowances/(Allowances):							
1. TELEPHONE EQUIPMENT DEPRECIATION DISALLOWANCES							
The Bureau of Long Term Care Reimbursement has determined the nature of telephone expense to be an operating expense. Since the expense is included in the formula to determine the base, mean and ceiling prices used to establish the indirect expense corridor, the reimbursement of telephone depreciation expense in the property component amounts to duplicate reimbursement. Consequently, disallowances were necessary. **Regulation: 10 NYCRR Section 86-2.17(d)**	Bldg. Depr.	001	$8,814	99.80%		8,796	
	ME Depr.	002	9,853	55.65%			5,483
2. MORTGAGE INTEREST EXPENSE DISALLOWANCES							
According to the Bureau of Long Term Care Reimbursement (BLTCR) capital cost methodology, mortgage interest expense is reimbursed on a rate year basis. Audited rate year interest expense varied from the mortgage interest allowed in the promulgated rates resulting in disallowances. **Regulation: 10 NYCRR Section 86-2.20**	Mortg. Int.	003	10,471	55.10%	5,770		
	Mortg. Int.	003	121,950	99.80%		121,706	
	Mortg. Int.	003	212,850	55.65%			118,451
3. PROPERTY INSURANCE DISALLOWANCES							
The Facility's rates included insurance premiums for business income. Business income insurance does not relate to the loss of, or damage to, the Facility's physical property and consequently is only includable in the operating component of the rate. Since this insurance premium is not allowable as property insurance cost, the cost has been disallowed. **Regulations: 10 NYCRR Sections 86-2.10(g) & 86-2.17(a), PRM-1 Sections 2161 & 2806.2**	Prop. Ins.	005	11,565	41.86%	4,841		
	Prop. Ins.	005	12,701	46.56%		5,914	
	Prop. Ins.	005	60,184	42.94%			25,843
4. AUTOMOBILE EXPENSE DISALLOWANCES							
Costs not related to patient care are costs that are not appropriate or necessary and proper in developing and maintaining the operation of patient care facilities and activities. Only costs properly chargeable to necessary patient care are allowable. Rental and insurance costs pertaining to automobiles used for the personal use by the Administrator are not related to patient care and were disallowed. **Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Sections 2102.3 & 2105.9**	Rent B	005	14,244	41.86%	5,963		
	Rent C	005	8,024	46.56%		3,736	
	Rent B	004	6,697	42.94%			2,876
	Auto Ins.	005	41,414	41.86%	17,336		
	Auto Ins.	005	49,457	46.56%		23,027	

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES) - NURSING FACILITY

	DESCRIPTION	COST CTR.	DISALLOWED (ALLOWED)	TRACE-BACK %	RATE PERIODS 2006	2007	2008
5. MORTGAGE EXPENSE AMORTIZATION ALLOWANCE							
Mortgage expense amortization was not reflected in the promgulated rate for rate year 2006. The Facility provided information showing the expense was incurred and that it was proper. Consequently, an allowance was necessary. **Regulations: 10 NYCRR Sections 86-2.17(a) & 86-2.19**	Mortg. Exp.	001	(70,443)	55.10%	(38,814)		
6. WORKING CAPITAL INTEREST EXPENSE DISALLOWANCE							
Working capital interest expense is subject to a threshold limitation per regulation. Since the Facility exceeded the threshold limitation, a disallowance was necessary. **Regulation: 10 NYCRRR Section 86-2.20**	WCI Exp.	005	3,819	41.86%	1,599		
7. INTEREST INCOME OFFSET							
Interest expense should be reduced by investment income with the exception of income earned by funded depreciation accounts and certain other restricted funds. Audited investment income varied from the amount in the rate. Consequently, an additional investment income offset against interest expense is necessary. **Regulations: 10 NYCRR Section 86-2.17(a) & 86-2.20, PRM-1 Section 202.2**	Inc. Offset	005	76,166	41.86%	31,883		
8. TRACEBACK PERCENTAGE CORRECTION							
The traceback percentages used in the promulgated rates were based on a calculation that erroneously excluded the Traumatic Brain Injury unit in 2006 and 2008, and included over 100% percentages in 2007. The correction of the traceback percentages, applied to audited cost, resulted in adjustments. (See Exhibits V - VII). **Regulations: 10 NYCRR Section 86.2.17(a), PRM-1 Section 2102.3**	Direct Assign.	000	(72,184)	100.00%	(72,184)		
	Direct Assign.	000	1,827,005	100.00%		1,827,005	
	Direct Assign.	000	(363,972)	100.00%			(363,972)
Property Expense Disallowances/(Allowances)					$ (43,606)	$ 1,990,184	$ (211,319)
TOTAL AUDITED PROPERTY EXPENSE					$ 2,412,468	$ 3,141,422	$ 3,390,724

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES) - AIDS UNIT

	DESCRIPTION	COST CTR.	DISALLOWED (ALLOWED)	TRACE-BACK %	RATE PERIODS 2006	2007	2008
Property Expense Allowed per HE-12B					$ 882,537	$ 1,042,191	$ 1,131,548
Less Disallowances/(Allowances):							
1. TELEPHONE EQUIPMENT DEPRECIATION DISALLOWANCES							
The Bureau of Long Term Care Reimbursement has determined the nature of telephone expense to be an operating expense. Since the expense is included in the formula to determine the base, mean and ceiling prices used to establish the indirect expense corridor, the reimbursement of telephone depreciation expense in the property component amounts to duplicate reimbursement. Consequently, disallowances were necessary. **Regulation: 10 NYCRR Section 86-2.17(d)**	Bldg. Depr.	001	$8,814	19.98%		1,761	
	ME Depr.	002	9,853	19.88%			1,959
2. MORTGAGE INTEREST EXPENSE DISALLOWANCES							
According to the Bureau of Long Term Care Reimbursement (BLTCR) capital cost methodology, mortgage interest expense is reimbursed on a rate year basis. Audited rate year interest expense varied from the mortgage interest allowed in the promulgated rates resulting in disallowances. **Regulation: 10 NYCRR Section 86-2.20**	Mortg. Int.	003	161,900	20.20%	32,704		
	Mortg. Int.	003	121,950	19.98%		24,366	
	Mortg. Int.	003	212,850	19.88%			42,315
3. PROPERTY INSURANCE DISALLOWANCES							
The Facility's rates included insurance premiums for business income. Business income insurance does not relate to the loss of, or damage to, the Facility's physical property and consequently is only includable in the operating component of the rate. Since this insurance premium is not allowable as property insurance cost, the cost has been disallowed. **Regulations: 10 NYCRR Section 86-2.10(g) & 86-2.17(a), PRM-1 Sections 2161 & 2806.2**	Prop. Ins.	005	11,565	18.80%	2,174		
	Prop. Ins.	005	12,701	17.80%		2,261	
	Prop. Ins.	005	60,184	17.34%			10,436
4. AUTOMOBILE EXPENSE DISALLOWANCES							
Costs not related to patient care are costs that are not appropriate or necessary and proper in developing and maintaining the operation of patient care facilities and activities. Only costs properly chargeable to necessary patient care are allowable. Rental and insurance costs pertaining to automobiles used for the personal use by the Administrator are not related to patient care and were disallowed. **Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Sections 2102.3 & 2105.9**	Rent B	005	14,244	18.80%	2,678		
	Rent C	005	8,024	17.80%		1,428	
	Rent B	004	6,697	17.34%			1,161
	Auto. Ins.	005	49,457	17.80%		8,803	

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES) - AIDS UNIT

	DESCRIPTION	COST CTR.	DISALLOWED (ALLOWED)	TRACE-BACK %	RATE PERIODS 2006	2007	2008
5. MORTGAGE EXPENSE AMORTIZATION DISALLOWANCE Mortgage expense amortization was not reflected in the promgulated rate for rate year 2006. The Facility provided information showing the expense was incurred and that it was proper. Consequently, an allowance was necessary. **Regulations: 10 NYCRR Sections 86-2.17(a) & 86-2.19**	Mortg. Exp.	001	(70,443)	20.20%	(14,229)		
6. WORKING CAPITAL INTEREST EXPENSE DISALLOWANCE Working capital interest expense is subject to a threshold limitation per regulation. Since the Facility exceeded the threshold limitation, a disallowance was necessary. **Regulation: 10 NYCRRR Section 86-2.20**	WCI Exp.	005	3,819	18.80%	718		
7. INTEREST INCOME OFFSET Interest expense should be reduced by investment income with the exception of income earned by funded depreciation accounts and certain other restricted funds. Audited investment income varied from the amount in the rate. Consequently, an additional investment income offset against interest expense is necessary. **Regulations: 10 NYCRR Section 86-2.17(a) & 86-2.20, PRM-1 Section 202.2**	Inc. Offset	005	76,166	18.80%	14,319		
Property Expense Disallowances/(Allowances)					$ 38,364	$ 38,619	$ 55,871
TOTAL AUDITED PROPERTY EXPENSE					$ 844,173	$ 1,003,572	$ 1,075,677

EXHIBIT V

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
CORRECTION OF TRACEBACK PERCENTAGES - RATE YAR 2006

The traceback percentages utilized in the rate computation process did not include the TBI unit in several of the rate periods under audit. Additionally rate year 2007 traceback percentages included the AIDS unit which has its own rates and traceback percentages. Consequently, it is necessary to correct the traceback percentages for each year under audit resulting in adjustments.
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Section 2102.3

RATE YEAR 2006	COST	RATE	TRACE-BACK PERCENTAGE			DISALLOWANCE
CAPITAL COST DESCRIPTION	CENTER	HE-12B	PROMULG.	AUDITED	DIFFERENCE	(ALLOWANCE)
MORTGAGE INTEREST	003	$491,450	55.10%	61.70%	-6.60%	($32,436)
PROPERTY INSURANCE	005	60,045	41.86%	47.25%	-5.39%	(3,236)
OTHER	051	6,210	100.00%	100.00%	0.00%	0
AMORTIZATION	041	60,084	45.62%	48.50%	-2.88%	(1,730)
INTEREST	039	23	65.93%	66.11%	-0.18%	0
RENT	000	18,984	0.00%	0.00%	0.00%	0
OTHER	043	38	59.07%	65.78%	-6.71%	(3)
RENT A	004	11,289	41.86%	47.25%	-5.39%	(608)
RENT B	005	30,277	41.86%	47.25%	-5.39%	(1,632)
RENT C	008	2,298	56.55%	63.28%	-6.73%	(155)
RENT D	010	8,857	56.55%	63.28%	-6.73%	(596)
RENT E	013	156,967	54.27%	62.80%	-8.53%	(13,389)
RENT F	014	1,284	67.91%	75.12%	-7.21%	(93)
RENT G	019	5,457	22.32%	24.22%	-1.90%	(104)
RENT H	020	3,545	66.00%	72.00%	-6.00%	(213)
RENT I	021	5,512	41.37%	41.37%	0.00%	0
RENT J	035	10,227	1.15%	1.15%	0.00%	0
INSURANCE	005	0	41.86%	47.25%	-5.39%	0
OTHER	005	231,988	41.86%	47.25%	-5.39%	(12,504)
MORTGAGE EXP. AMORT.	001	70,443	55.10%	61.70%	-6.60%	(4,649)
W/C INTEREST	005	91,665	41.86%	47.25%	-5.39%	(4,941)
WCI OFFSET	005	(76,166)	41.86%	47.25%	-5.39%	4,105
DIRECT ASSIGNMENT	051	1,752,570	100.00%	100.00%	0.00%	0
TOTAL						($72,184)

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
CORRECTION OF TRACEBACK PERCENTAGES - RATE YEAR 2007

The traceback percentages utilized in the rate computation process did not include the TBI unit in several of the rate periods under audit. Additionally, rate year 2007 traceback percentages included the AIDS unit which has its own rates and traceback percentages. Consequently, it is necessary to correct the traceback percentages for each year under audit resulting in adjustments.
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Section 2102.3

RATE YEAR 2007	COST	RATE	TRACE BACK PERCENTAGE			DISALLOWANCE
CAPITAL COST DESCRIPTION	CENTER	HE-12B	PROMULG.	AUDITED	DIFFERENCE	(ALLOWANCE)
DEPRECIATION	001	$3,976,329	99.80%	62.03%	37.77%	$1,501,859
MORTGAGE INTEREST	003	369,500	99.80%	62.03%	37.77%	139,560
PROPERTY INSURANCE	005	77,323	46.56%	46.56%	0.00%	0
RENT A	002	420,915	99.80%	62.03%	37.77%	158,980
RENT B	004	957	46.56%	46.56%	0.00%	0
RENT C	005	33,708	46.56%	46.56%	0.00%	0
RENT D	008	1,565	63.78%	63.78%	0.00%	0
RENT E	010	10,080	63.78%	63.78%	0.00%	0
RENT F	013	177,466	63.72%	63.72%	0.00%	0
RENT G	014	950	76.38%	76.38%	0.00%	0
RENT H	019	4,133	24.29%	24.29%	0.00%	0
RENT I	020	2,611	72.00%	72.00%	0.00%	0
RENT J	021	4,098	41.37%	41.37%	0.00%	0
RENT K	035	644	1.34%	1.34%	0.00%	0
RENT L	040	55	61.39%	61.39%	0.00%	0
RENT M	042	55	48.50%	48.50%	0.00%	0
RENT N	043	190	66.06%	66.06%	0.00%	0
RENT P	051	4,813	100.00%	100.00%	0.00%	0
INSURANCE	005	0	46.56%	46.56%	0.00%	0
MTGE EXP AMORTIZATION	001	70,443	99.80%	62.03%	37.77%	26,606
W/C INTEREST	005	19,419	46.56%	46.56%	0.00%	0
INVESTMENT INCOME	003	(67,788)	62.03%	62.03%	0.00%	0
W/C INTEREST OFFSET	005	(19,419)	46.56%	46.56%	0.00%	0
TOTAL						$1,827,005

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
CORRECTION OF TRACEBACK PERCENTAGES - RATE YEAR 2008

The traceback percentages utilized in the rate computation process did not include the TBI unit in several of the rate periods under audit. Additionally rate year 2007 traceback percentages included the AIDS unit which has its own rates and traceback percentages. Consequently, it is necessary to correct the traceback percentages for each year under audit resulting in adjustments.
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Section 2102.3

RATE YEAR 2008	COST	RATE	TRACE BACK PERCENTAGE			DISALLOWANCE
CAPITAL COST DESCRIPTION	CENTER	HE-12B	PROMULG.	AUDITED	DIFFERENCE	(ALLOWANCE)
DEPRECIATION	001	$3,843,088	55.65%	62.32%	-6.67%	($256,334)
MORTGAGE INTEREST	003	278,600	55.65%	62.32%	-6.67%	(18,583)
PROPERTY INSURANCE	005	90,310	42.94%	48.34%	-5.40%	(4,877)
DEPRECIATION	002	659,249	55.65%	62.32%	-6.67%	(43,972)
RENT A	002	376,468	55.65%	62.32%	-6.67%	(25,110)
RENT B	005	113,591	42.94%	48.34%	-5.40%	(6,134)
RENT C	008	1,713	57.08%	63.89%	-6.81%	(117)
RENT D	010	7,195	57.08%	63.89%	-6.81%	(490)
RENT E	013	186,992	56.48%	63.72%	-7.24%	(13,538)
RENT F	014	1,060	69.59%	76.38%	-6.79%	(72)
RENT G	019	4,608	22.31%	24.29%	-1.98%	(91)
RENT H	020	2,896	66.00%	72.00%	-6.00%	(174)
RENT I	021	4,548	37.43%	41.37%	-3.94%	(179)
RENT J	035	8,215	1.34%	1.34%	0.00%	0
RENT K	040	60	60.43%	61.39%	-0.96%	(1)
RENT L	042	15	45.62%	48.50%	-2.88%	0
RENT M	045	105	20.75%	20.75%	0.00%	0
RENT N	051	406	100.00%	100.00%	0.00%	0
MTGE EXP AMORTIZATION	001	74,943	55.65%	62.32%	-6.67%	(4,999)
INVESTMENT INCOME	003	(160,399)	55.65%	62.32%	-6.67%	10,699
TOTAL						**($363,972)**

TERRENCE CARDINAL COOKE HEALTH CARE CENTER - AUDIT #11-3759
RATE PERIODS JANUARY 1, 2006 THROUGH DECEMBER 31, 2008
CORRECTION OF PATIENT DAYS - RATE YEAR 2008

An adjustment is necessary to 2008 patient days to include the Huntington patient days reported as TBI unit days in total patient days for the nursing facility. The Huntington patient costs have been combined with the nursing facility, therefore to properly calculate a rate the the Huntington patient days must be added to the nursing facility days.
Regulation: 10 NYCRR Section 86-2.8

	2008 RATE PERIOD
Patient Days Per Audit	184,905
Patient Days in Promulgated Rate	167,439
Additional Days (Huntington Unit Days)	17,466