



**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

October 19, 2012

[REDACTED]
Hebrew Hospital Home, Inc.
c/o Hebrew Hospital Home of Westchester, Inc.
55 Grasslands Road
Valhalla, New York 10595-1655

Re: Hebrew Hospital Home, Inc.
Medicaid Rate Audit #06-1175
Provider Number: [REDACTED]

Dear [REDACTED]:

Enclosed is the final audit report of the Office of the Medicaid Inspector General's (the "OMIG") audit of Hebrew Hospital Home, Inc.'s (the "Facility") Medicaid rates for the rate period January 1, 2002 through December 31, 2005. In accordance with 18 NYCRR Section 517.6, this report represents the OMIG's final determination on issues raised in the draft report.

In response to the draft audit report dated November 23, 2011, you identified specific audit findings with which you disagreed. Your comments have been considered (see Attachment A) and the report has been either revised accordingly and/or amended to address your comments (see Attachment B). Consideration of your comments resulted in an overall reduction of \$720,336 to the total Medicaid overpayment shown in 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 \$632,441. This overpayment is subject to Department of Health (the "DOH") and Division of Budget (the "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:

[REDACTED]
New York State Department of Health
Medicaid Financial Management
GNARESP Corning Tower, Room 2739
File #06-1175
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 15% withhold after 20 days until the agreement is established. The OMIG may require financial information from you to establish the terms of the repayment agreement. If additional information is requested, the OMIG must receive the information within 30 days of the request or a 50% withhold will be imposed. 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. The OMIG will notify you no later than 5 days after initiating such action. If you wish to enter into a repayment agreement, you must forward your written request within 20 days to the following:

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

If within 20 days, you fail to make full payment or contact the OMIG to make repayment arrangements, the OMIG will establish a withhold equal to 50% of your Medicaid billings to secure payment and liquidate the overpayment amount, interest and/or penalty, not barring any other remedy allowed by law. The OMIG will provide notice to you no later than 5 days after the withholding of any funds.

In addition, if you receive an adjustment in your favor while you owe funds to the State, such adjustment will be applied against the amount owed.

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 [REDACTED] of the Office of Counsel at [REDACTED]

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. If you have any questions regarding the above, please contact [REDACTED] at [REDACTED]

Sincerely,

[REDACTED]
Bureau of Rate Audit
Division of Medicaid Audit
Office of the Medicaid Inspector General

Enclosure

ATTACHMENT A – Facility Draft Audit Report Comments and OMIG Response
ATTACHMENT B – Summary of Changes from Draft Audit Report to Final Audit Report
EXHIBIT I - Summary of Per Diem Impact and Medicaid Overpayment
EXHIBIT II - Summary of Medicaid Rates Audited
EXHIBIT III - Property Expense Disallowances/(Allowances)

CERTIFIED MAIL # [REDACTED]
RETURN RECEIPT REQUESTED

**NEW YORK STATE
OFFICE OF THE MEDICAID INSPECTOR GENERAL
REMITTANCE ADVICE**

NAME AND ADDRESS OF AUDITEE

Hebrew Hospital Home
of Westchester, Inc.
55 Grasslands Road
Valhalla, New York 10595-1655

AMOUNT DUE: \$632,441

NPI #: [REDACTED]
PROVIDER #: [REDACTED]

AUDIT #06-1175

| | | |
|--------------|-------------------------------------|-----------------|
| AUDIT | <input type="checkbox"/> | PROVIDER |
| TYPE | <input checked="" type="checkbox"/> | RATE |
| | <input type="checkbox"/> | PART B |
| | <input type="checkbox"/> | 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 #06-1175
Albany, New York 12237-0048

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

CORRECT PROVIDER NUMBER

**HEBREW HOSPITAL HOME, INC. - AUDIT #06-1175
FACILITY DRAFT AUDIT REPORT COMMENTS AND OMIG RESPONSE**

All OMIG adjustments have remained unchanged except for those shown below. The following details the disposition of final audit report adjustments after consideration of the provider's additional information submitted after the draft audit report. See last page of this attachment for adjustment changes for final audit report.

EXHIBIT III COMMENTS

Adjustment #1(a) – Building/Fixed Equipment Depreciation Adjustments

Facility Comment

We are not sure what specifically is being disallowed, as no detail is provided. In order to respond to this finding, we need to know what specific variances were discovered by the auditors when they completed the comparison. We provided adequate documentation to substantiate the aforementioned items. We therefore contest the above disallowances. The facility provided documentation with the draft response

OMIG Response

Detail of the specific items disallowed was provided to the Facility at the exit conference and subsequently via email with an additional summary schedule that was not provided at the exit conference. This additional summary schedule gave more detail for the disallowances. The Facility provided its actual depreciation schedule for cost year 2000 which was calculated based on a prior computerized depreciation system. This schedule was used to determine depreciation allowed for 2002 rate period. No additional information was provided for other disallowed items in other rate periods. Adjustments made in other rate periods for this expense are sustained.

Disposition: Response is accepted for rate year 2002 to the extent that appropriate documentation was provided. The remaining adjustment for rate year 2002 represents depreciation for which no documentation was submitted.

Adjustment #1(b) – Building/Fixed Equipment Depreciation Adjustments

Facility Comment

The audit findings are not specific, so it is impossible for HHH to ascertain and respond to the specific disallowance. Which specific assets were unsubstantiated? However, we provided adequate and complete substantiation of the fixed assets. We therefore contest these disallowances.

OMIG Response

Detail of the specific items disallowed was provided to the Facility at the exit conference and subsequently via email with an additional summary schedule that was not provided at the exit conference. This additional summary schedule gave more detail for the disallowances. The Facility provided its actual depreciation schedule for cost year 2000 which was calculated based on a prior computerized depreciation system. This schedule was used to determine depreciation allowed for 2002 rate period. No additional information was provided for other disallowed items in other rate periods. Adjustments made in other rate periods for this expense are sustained.

Disposition: Response is accepted for rate year 2002.

HEBREW HOSPITAL HOME, INC. - AUDIT #06-1175
PROVIDER DRAFT AUDIT REPORT ADDITIONAL INFORMATION AND OMIG RESPONSE

Adjustment #1(c) – Building/Fixed Equipment Depreciation Adjustments

Facility Comment

Although we are unable to ascertain through the above narrative exactly which specific items were deemed operating expenses by the auditors, it is the HHH's policy to capitalize any repair that extends the useful life of a fixed asset as defined by and in accordance with generally accepted accounting principles. In as much as the amounts that were disallowed are significant, it would indicate that the repairs were substantial and not maintenance in nature. Furthermore, the building and building systems were built/put into service in the mid-1970's. Accordingly, a building 30 years old would require repairs to extend its life. For all the reasons above, we disagree with the audit adjustments.

OMIG Response

Detail of the specific items disallowed was provided to the Facility at the exit conference and subsequently via email with an additional summary schedule that was not provided at the exit conference. This additional summary schedule gave more detail for the disallowances. The Facility provided its actual depreciation schedule for cost year 2000 which was calculated based on a prior computerized depreciation system. This schedule was used to determine depreciation allowed for 2002 rate period. No additional information was provided for other disallowed items in other rate periods. Adjustments made in other rate periods for this expense are sustained.

Disposition: Response is accepted for rate year 2002.

Adjustment #1(d) – Building/Fixed Equipment Depreciation Adjustments

Facility Comment

The Draft Audit Report does not specifically identify which projects' documentation was determined by the auditors to be missing or insufficient. HHH, therefore, is precluded from appropriately responding to this audit finding. However, we provided full and adequate documentation for all projects capitalized and therefore no cost should be disallowed. We therefore contest all of the adjustments related to this finding.

OMIG Response

Detail of the specific items disallowed was provided to the Facility at the exit conference and subsequently via email with an additional summary schedule that was not provided at the exit conference. This additional summary schedule gave more detail for the disallowances. The Facility provided its actual depreciation schedule for cost year 2000 which was calculated based on a prior computerized depreciation system. This schedule was used to determine depreciation allowed for 2002 rate period. No additional information was provided for other disallowed items in other rate periods. Adjustments made in other rate periods for this expense are sustained.

Disposition: Response is accepted for rate year 2002.

HEBREW HOSPITAL HOME, INC. - AUDIT #06-1175
PROVIDER DRAFT AUDIT REPORT ADDITIONAL INFORMATION AND OMIG RESPONSE

Adjustment #1(e) – Building/Fixed Equipment Depreciation Adjustments

Facility Comment

The audit finding is erroneous. In fact, the Facility deposited in excess of \$1,500,000 in the depreciation reserve fund brokerage accounts for the cost year 2003 rate year 2005 as evidenced by the enclosed statements. Accordingly, the depreciation reserve was funded adequately for the year in question and therefore the \$230,974 adjustment should be eliminated. We therefore strongly contest this adjustment.

OMIG Response

The Facility's response to the Draft Audit Report included documentation that substantiated cash deposits to funding. Adjustments were made to audited depreciation expense for rate year 2005 based on this additional information.

Disposition: Response is accepted for rate year 2005.

Adjustment #1(f) – Building/Fixed Equipment Depreciation Adjustments

Facility Comment

None.

OMIG Comment

The Facility did not specifically mention this adjustment in its response. However, the Facility provided their actual depreciation schedule for cost year 2000 which was used to determine depreciation allowed for 2002 rate year, and it was determined that the documentation submitted was deemed acceptable and applicable to this adjustment as well.

Disposition: Adjustment modified to reflect the additional documentation submitted for rate year 2002

Adjustment #2(a) – Movable Equipment Depreciation Adjustments

Facility Comment

We are not sure what specifically is being disallowed, as no detail of the specific variances and findings is provided. HHH, therefore, is precluded from responding to this finding. We provided adequate documentation to substantiate the aforementioned items. We therefore contest the above disallowances. It is inconceivable that there would be variances and findings of this magnitude.

OMIG Response

Detail of the specific items disallowed was provided to the Facility at the exit conference and subsequently via email with an additional summary schedule that was not provided at the exit conference. This additional summary schedule gave more detail for the disallowances. The Facility provided its actual depreciation schedule for cost year 2000 which was calculated based on a prior computerized depreciation system. This schedule was used to determine depreciation allowed for 2002 rate period. No additional information was provided for other disallowed items in other rate periods. Adjustments made in other rate periods for this expense are sustained.

**HEBREW HOSPITAL HOME, INC. - AUDIT #06-1175
PROVIDER DRAFT AUDIT REPORT ADDITIONAL INFORMATION AND OMIG RESPONSE**

Disposition: Response is accepted for rate year 2002 to the extent that appropriate documentation was provided. The remaining adjustment for rate year 2002 represents depreciation for which no documentation was submitted.

Adjustment #2(b) – Movable Equipment Depreciation Adjustments

Facility Comment

We are not sure what specifically is being disallowed, as no detail is provided. HHH, therefore is precluded from responding to this finding. We provided adequate documentation to substantiate the aforementioned items. We therefore contest the above disallowances. It is inconceivable that there would be variances and findings of this magnitude.

OMIG Response

Detail of the specific items disallowed was provided to the Facility at the exit conference and subsequently via email with an additional summary schedule that was not provided at the exit conference. This additional summary schedule gave more detail for the disallowances. The Facility provided its actual depreciation schedule for cost year 2000 which was calculated based on a prior computerized depreciation system. This schedule was used to determine depreciation allowed for 2002 rate period. No additional information was provided for other disallowed items in other rate periods. Adjustments made in other rate periods for this expense are sustained.

Disposition: Response was accepted for rate year 2002.

Adjustment #2(c) – Movable Equipment Depreciation Adjustments

Facility Comment

Although based on the above narrative we are unable to ascertain exactly which specific items were deemed operating expenses by the auditors and are therefore precluded from responding to this finding, it is the HHH's policy to capitalize any repair that extends the useful life of a fixed asset as defined by and in accordance with generally accepted accounting principles. The amounts that were disallowed are significant, which indicates that the repairs were substantial and not maintenance in nature. For all the reasons above, we disagree with the audit adjustments.

OMIG Response

Detail of the specific items disallowed was provided to the Facility at the exit conference and subsequently via email with an additional summary schedule that was not provided at the exit conference. This additional summary schedule gave more detail for the disallowances. The Facility provided its actual depreciation schedule for cost year 2000 which was calculated based on a prior computerized depreciation system. This schedule was used to determine depreciation allowed for 2002 rate period. No additional information was provided for other disallowed items in other rate periods. Adjustments made in other rate periods for this expense are sustained.

Disposition: Response was accepted for rate year 2002.

**HEBREW HOSPITAL HOME, INC. - AUDIT #06-1175
PROVIDER DRAFT AUDIT REPORT ADDITIONAL INFORMATION AND OMIG RESPONSE**

Adjustment #2(e) – Movable Equipment Depreciation Adjustments

Facility Comment (This response relates to item 2(e) of the draft audit report exhibits. The provider labeled this as a response to 2(d).)

It is true that in 1983 (the base year for HHH's operating components in the Medicaid rate) the lease cost of the phone systems for many facilities may have been included in the monthly telephone bills which may possibly have been included in the operating portion of the Medicaid rate that was ultimately rolled into the rate years in question. Subsequent to 1983, the telephone company structures and billing practices changed through federal regulation and/or intervention, thus breaking out the cost of phone calls and leases. The phone systems in question were limited in features and cost. In subsequent years from 1983 to 2005, HHH upgraded and installed new, more sophisticated, costly computerized telecommunications systems that bear no resemblance to the meager lease costs that may or may not have been included in the operating cost of 1983. Accordingly, for all of the reasons above, the incremental costs of the new computerized telecommunication systems should be included in the property costs for the years in question, as it was never established by the auditors that in fact HHH had telephone lease costs in its 1983 base year operating costs.

OMIG Response

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.

Disposition: Response is rejected.

Adjustment #2(f) – Movable Equipment Depreciation Adjustments

This Facility response relates to item 2(f) of the draft audit report exhibits. The provider labeled this as a response to 2(e).

Facility Comment

As discussed in item 1(e) above, the audit finding is erroneous. In fact, the Facility deposited in excess of \$1,500,000 in the depreciation reserve fund brokerage accounts for the cost year 2003 rate year 2005 as evidenced by the enclosed statements. Accordingly, the depreciation was funded adequately for the year in question and therefore the \$254,337 adjustment should be eliminated. We therefore strongly contest this adjustment.

OMIG Response

The Facility's response to the Draft Audit Report included documentation that substantiated cash deposits to funding. Adjustments were made to audited depreciation expense for rate year 2005 based on this additional information.

Disposition: Response is accepted for rate year 2005.

HEBREW HOSPITAL HOME, INC. - AUDIT #06-1175
PROVIDER DRAFT AUDIT REPORT ADDITIONAL INFORMATION AND OMIG RESPONSE

Adjustment #3 – Equipment Rental Adjustments

Facility Comment

The Draft Audit Report fails to explain what specifically is being disallowed, particularly for the smaller amounts listed in the findings. We provided adequate documentation to substantiate the above items. Due to the lack of clarity in the Draft Audit Report we are left to guess what the basis is for the finding. We are therefore unable to provide a responsive argument to this finding so that we are not precluded from raising arguments and issues pertaining to this finding at an administrative hearing. In this regard, in teleconferences with the auditors it was communicated to HHH that the larger equipment rental cost disallowances arose not from lack of documentation but, rather, the rental of specialty beds that were used for patients with decubiti and other pressure sore wounds. In the rate years in question, HHH regularly admitted a substantial number of patients from the hospitals that had acquired decubiti and/or pressure sore wounds in the hospital and it became HHH's responsibility to care for them. Because there was a constant in and outflow of these types of patients at HHH, these specialty beds were in constant use.

The auditors contend that they "tested" the billing of these specialty bed rentals invoices to the census and they did not match up. Therefore, the auditors concluded that the substantial amounts HHH spent on renting these specialty beds are a non-allowance, even though these specialty beds are rented on a daily basis at significant costs to HHH. We have not been provided with the specific findings of the auditors "test" which makes it impossible to respond to this apparent basis for this finding. A significant number of these types of patients were admitted and discharged from HHH on a regular basis, and HHH was highly successful in treating the decubiti and/or pressure sores these patients acquired in the hospitals from where they transferred. An integral part of the treatment of these patients are these expensive specialty beds. HHH would not have spent the significant amount of money it did renting these specialty beds if it did not have patients who required these beds. It is improper to disallow the costs for these specialty beds based on the undefined and undocumented "test" conducted by the auditors.

As the equipment rentals in question were in fact used to treat patients in need, the cost of rentals along with the other unidentified disallowances should be allowed, as they were all used in the deliverance of patient care.

OMIG Response

The Facility provided bank statements showing proof of payment for some of the equipment rentals that were disallowed per the Draft Audit Report. After review of the additional information submitted, some of the rentals have been allowed. Adjustments were made accordingly to the Final Audit Report Impact Schedule.

Disposition: Response is accepted as follows:

- 2003 to Rents A, H, & I
- 2004 to Rents F,H,& I; Rent J is eliminated for this year
- 2005 G,H & Other

HEBREW HOSPITAL HOME, INC. - AUDIT #06-1175
PROVIDER DRAFT AUDIT REPORT ADDITIONAL INFORMATION AND OMIG RESPONSE

Adjustment # 7 – Property Insurance Adjustments

Facility Comment

We are not sure what specifically is being disallowed, as no detail is provided. We believe we provided adequate documentation to substantiate the aforementioned items. We therefore contest the above disallowances.

OMIG Response

The amounts paid for property insurance premiums were taken from the facility's mortgage schedules. The facility had an escrow account to which monthly deposits for property insurance were made. Each year a payment was made to cover the facility's property insurance premium. The amounts shown as disbursements for Insurance were used to calculate audited property insurance paid.

This description of our audit method used to obtain the figure for this expense was explained to the provider at a meeting subsequent to the exit conference.

Disposition: Response is rejected.

Adjustment # 8 – Direct Assignment Adjustments

Facility Comment

None.

OMIG Response

As a result of the changes to the adjustments listed above, adjustments to the Direct Assignment amounts are necessary.

Disposition: Response is accepted for rate years 2002 through 2004.

HEBREW HOSPITAL HOME, INC.

SUMMARY OF CHANGES FROM DRAFT AUDIT REPORT TO FINAL AUDIT REPORT - AUDIT #06-1175

EXHIBIT III - PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

| | Rate Period | Draft Disallowance (Allowance) | Change | Final Disallowance (Allowance) |
|---|----------------|--------------------------------------|------------|--------------------------------------|
| 1.(a) BUILDING / FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | \$ 107,167 | \$(87,501) | \$ 19,666 |
| | 2003 | 35,274 | - | 35,274 |
| | 2004 | 192 | - | 192 |
| | 2005 | (23,956) | - | (23,956) |
| 1.(b) BUILDING / FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 425 | (425) | - |
| | 2003 | 3,523 | - | 3,523 |
| | 2004 | 6,196 | - | 6,196 |
| | 2005 | 6,196 | - | 6,196 |
| 1.(c) BUILDING / FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 4,708 | (4,708) | - |
| | 2003 | 18,021 | - | 18,021 |
| | 2004 | 29,091 | - | 29,091 |
| | 2005 | 41,687 | - | 41,687 |
| 1.(d) BUILDING / FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 4,100 | (4,100) | - |
| | 2003 | 8,200 | - | 8,200 |
| | 2004 | 11,888 | - | 11,888 |
| | 2005 | 15,575 | - | 15,575 |
| 1.(e) BUILDING / FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS | 2004 | (97,388) | - | (97,388) |
| | 2005 | 230,974 | (230,974) | - |
| 1.(f) BUILDING / FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 94 | (94) | - |
| | 2003 | 187 | - | 187 |
| | 2004 | 187 | - | 187 |
| | 2005 | 187 | - | 187 |
| 1.(g) BUILDING / FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS | 2004 | 348 | - | 348 |
| | 2005 | 695 | - | 695 |
| 2.(a) MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 98,047 | (64,338) | 33,709 |
| | 2003 | (14,756) | - | (14,756) |
| | 2004 | 12,610 | - | 12,610 |
| | 2005 | 1,665 | - | 1,665 |
| 2.(b) MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 3,504 | (3,504) | - |
| | 2003 | 49,449 | - | 49,449 |
| | 2004 | 91,907 | - | 91,907 |
| | 2005 | 91,924 | - | 91,924 |
| 2.(c) MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 2,321 | (2,321) | - |
| | 2003 | 4,862 | - | 4,862 |
| | 2004 | 5,617 | - | 5,617 |
| | 2005 | 6,552 | - | 6,552 |
| 2.(d) MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS | 2004 | 110 | - | 110 |
| | 2005 | 220 | - | 220 |

HEBREW HOSPITAL HOME, INC.
SUMMARY OF CHANGES FROM DRAFT AUDIT REPORT TO FINAL AUDIT REPORT - AUDIT #06-1175

EXHIBIT III - PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

| | <u>Rate Period</u> | <u>Draft Disallowance (Allowance)</u> | <u>Change</u> | <u>Final Disallowance (Allowance)</u> |
|--|------------------------|---|---------------|---|
| 2.(e) MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS | 2002 | 5,534 | (5,534) | - |
| | 2003 | 5,575 | - | 5,575 |
| | 2004 | 5,575 | - | 5,575 |
| | 2005 | 5,546 | - | 5,546 |
| 2.(f) MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS | 2004 | (105,602) | - | (105,602) |
| | 2005 | 254,337 | (254,337) | - |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent A) | 2002 | 7,062 | - | 7,062 |
| | 2003 | 2,506 | (1,451) | 1,055 |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent B) | 2003 | 825 | - | 825 |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent F) | 2002 | (275) | - | (275) |
| | 2004 | 2,966 | (2,819) | 147 |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent G) | 2002 | 2,310 | - | 2,310 |
| | 2004 | 2,561 | - | 2,561 |
| | 2005 | 36,467 | (29,217) | 7,250 |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent H) | 2002 | 4,625 | - | 4,625 |
| | 2003 | (552) | 552 | - |
| | 2004 | 3,850 | (1,525) | 2,325 |
| | 2005 | 1,925 | - | 1,925 |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent I) | 2002 | 1,471 | - | 1,471 |
| | 2003 | 55,253 | (52,676) | 2,577 |
| | 2004 | 2,218 | (275) | 1,943 |
| | 2005 | 38,551 | (9,417) | 29,134 |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent J) | 2002 | 1,514 | - | 1,514 |
| | 2004 | 7,507 | (7,507) | - |
| | 2005 | 7,656 | - | 7,656 |
| 3 EQUIPMENT RENTAL ADJUSTMENTS (Rent Other) | 2005 | 197,190 | (161,350) | 35,840 |
| 4 WORKING CAPITAL INTEREST ALLOWANCE | 2003 | (10,567) | - | (10,567) |
| 5. MORTGAGE INSURANCE ALLOWANCES | 2002 | (1,774) | - | (1,774) |
| | 2004 | (33,219) | - | (33,219) |
| | 2005 | (31,616) | - | (31,616) |
| 6. START UP ORGANIZATION COSTS DISALLOWANCE | 2005 | 190,542 | - | 190,542 |
| 7. PROPERTY INSURANCE ADJUSTMENTS | 2002 | 2,921 | - | 2,921 |
| | 2003 | 4,626 | - | 4,626 |
| | 2004 | (2,820) | - | (2,820) |
| | 2005 | 4,089 | - | 4,089 |
| 8. DIRECT ASSIGNMENT ADJUSTMENTS | 2002 | 77,232 | 5,338 | 82,570 |
| | 2003 | 140,845 | 651 | 141,496 |

HEBREW HOSPITAL HOME, INC.
RATE PERIODS JANUARY 1, 2002 THROUGH DECEMBER 31, 2005
SUMMARY OF PER DIEM IMPACT AND MEDICAID OVERPAYMENT

| <u>RATE PERIOD</u> | <u>ISSUED PART B & D NON-ELIGIBLE RATES*</u> | <u>FINAL PART B & D NON-ELIGIBLE RATES</u> | <u>RATE DECREASE (INCREASE)</u> | <u>MEDICAID DAYS</u> | <u>MEDICAID OVERPAYMENT</u> |
|-----------------------------------|--|--|---|--------------------------|---------------------------------|
| 01/01/02 - 03/31/02 | \$201.73 | \$200.81 | \$0.92 | 34,744 | \$ 31,964 |
| 04/01/02 - 06/30/02 | 205.25 | 204.33 | 0.92 | 34,371 | 31,621 |
| 07/01/02 - 09/30/02 | 205.89 | 204.97 | 0.92 | 36,829 | 33,883 |
| 10/01/02 - 12/31/02 | 202.85 | 201.93 | 0.92 | 37,168 | 34,195 |
| 01/01/03 - 03/31/03 | 205.93 | 204.44 | 1.49 | 35,741 | 53,254 |
| 04/01/03 - 06/30/03 | 201.64 | 200.15 | 1.49 | 37,080 | 55,249 |
| 07/01/03 - 09/30/03 | 202.89 | 201.40 | 1.49 | 37,205 | 55,435 |
| 10/01/03 - 12/31/03 | 202.60 | 201.11 | 1.49 | 36,844 | 54,898 |
| 01/01/04 - 03/31/04 | 210.47 | 210.12 | 0.35 | 35,410 | 12,394 |
| 04/01/04 - 06/30/04 | 205.80 | 205.45 | 0.35 | 35,111 | 12,289 |
| 07/01/04 - 09/30/04 | 205.55 | 205.20 | 0.35 | 35,426 | 12,399 |
| 10/01/04 - 12/31/04 | 205.80 | 205.45 | 0.35 | 35,882 | 12,559 |
| 01/01/05 - 03/31/05 | 215.98 | 214.27 | 1.71 | 33,857 | 57,895 |
| 04/01/05 - 06/30/05 | 220.32 | 218.61 | 1.71 | 33,524 | 57,326 |
| 07/01/05 - 09/30/05 | 217.66 | 215.95 | 1.71 | 34,312 | 58,674 |
| 10/01/05 - 12/31/05 | 218.76 | 217.05 | 1.71 | 34,156 | 58,406 |
| TOTAL MEDICAID OVERPAYMENT | | | | | <u>\$ 632,441</u> |

* Any differences between these rates and the rates listed in Exhibit II of this 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.

HEBREW HOSPITAL HOME, INC.
RATE PERIODS JANUARY 1, 2002 THROUGH DECEMBER 31, 2005
SUMMARY OF MEDICAID RATES AUDITED

The Facility's Medicaid utilization was approximately 79 percent for the period under audit and the Medicaid per diem rates audited are shown below. Any differences between these rates and the "Issued Rates" listed in Exhibit I of this report represent rate changes made subsequent to our audit. These changes remain open to future audit by the OMIG.

| <u>RATE PERIOD</u> | <u>Issued Medicare Part B & D Non-Eligible Rates *</u> |
|---------------------------|---|
| 01/01/02 - 03/31/02 | \$ 201.73 |
| 04/01/02 - 06/30/02 | 205.25 |
| 07/01/02 - 09/30/02 | 205.89 |
| 10/01/02 - 12/31/02 | 202.85 |
| 01/01/03 - 03/31/03 | 205.93 |
| 04/01/03 - 06/30/03 | 201.64 |
| 07/01/03 - 09/30/03 | 202.89 |
| 10/01/03 - 12/31/03 | 202.60 |
| 01/01/04 - 03/31/04 | 210.47 |
| 04/01/04 - 06/30/04 | 205.80 |
| 07/01/04 - 09/30/04 | 205.55 |
| 10/01/04 - 12/31/04 | 205.80 |
| 01/01/05 - 03/31/05 | 215.98 |
| 04/01/05 - 06/30/05 | 220.32 |
| 07/01/05 - 09/30/05 | 217.66 |
| 10/01/05 - 12/31/05 | 218.76 |

* 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.

HEBREW HOSPITAL HOME, INC.
RATE PERIODS JANUARY 1, 2002 THROUGH DECEMBER 31, 2005
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

Property Expense Allowed per HE-12B
 Less Disallowances/(Allowances):

| DESCRIPTION | COST CTR | DISALLOWED (ALLOWED) | TRACE BACK % | RATE PERIODS | | |
|-------------|----------|----------------------|--------------|--------------|--------------|--------------|
| | | | | 2002 | 2003 | 2004 |
| | | \$ 1,713,999 | | \$ 1,969,230 | \$ 2,092,114 | \$ 2,429,626 |

1. BUILDING/FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS

a) Providers receiving payments on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Comparison of the fixed asset listing to reported fixed assets for each cost period disclosed variances. Consequently, depreciation adjustments were necessary pertaining to the variances.

Regulations: 10 NYCRR Sections 86-2.4, 2.7(a), 2.17, PRM-1 Sections 2300 & 2304

b) Providers receiving payment on the basis of reimbursable costs must provide adequate cost data based on financial and statistical records which can be verified on audit. Cost data must be current, accurate, and in sufficient detail. The Facility did not provide adequate documentation to substantiate reported fixed assets. Depreciation applicable to the unsubstantiated assets was disallowed.

Regulations: 10 NYCRR Sections 86-2.4 & 2.7(a), PRM-1 Sections 2300 & 2304

c) The Facility incorrectly capitalized costs that should have been expensed as operating costs because they were for repairs, inventory, supplies or other operating expenses. These expenditures should have been expensed in accordance with generally accepted accounting principles and the guidelines and definitions included in the RHCFA Accounting and Reporting Manual. Accordingly, the depreciation expense applicable to these costs was disallowed.

Regulations: 10 NYCRR Sections 86-2.4 & 451.181

d) Providers receiving payment on the basis of reimbursable costs must provide adequate cost data based on financial and statistical records which can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Any project cost which exceeds a cost already approved shall not be considered an allowable cost for reimbursement. The Facility had multiple projects with approved project costs. The Facility was unable to provide full documentation for reported approved project costs as to what project the costs pertained to. Consequently, adjustments to depreciation pertaining to the variances were necessary.

Regulations: 10 NYCRR Sections 86-2.4, 86-2.7(a), 710.6, PRM-1 Sections 2300 & 2304

e) All voluntary residential health care facilities are required to fund depreciation. Audited funding for cost year 2002 exceeded the funding limitation applied by the Bureau of Long Term Care Reimbursement in the promulgated rates. Therefore, depreciation was allowed up to the funding limitation for rate year 2004.

Regulation: 10 NYCRR Section 86-2.19(b)

| Bldg/Fixed Depr. | CTR | DISALLOWED (ALLOWED) | TRACE BACK % | 2002 | 2003 | 2004 | 2005 |
|------------------|-----|----------------------|--------------|----------|-------|--------|--------|
| Bldg/Fixed Depr. | 001 | 8,200 | 100.00% | | 8,200 | | |
| Bldg/Fixed Depr. | 001 | 11,888 | 100.00% | | | 11,888 | |
| Bldg/Fixed Depr. | 001 | 15,575 | 97.14% | | | | 15,130 |
| Bldg/Fixed Depr. | 001 | (97,388) | 100.00% | (97,388) | | | |

HEBREW HOSPITAL HOME, INC.
RATE PERIODS JANUARY 1, 2002 THROUGH DECEMBER 31, 2005
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

1. BUILDING/FIXED EQUIPMENT DEPRECIATION ADJUSTMENTS (CONT.)

| DESCRIPTION | COST CTR. | DISALLOWED (ALLOWED) | TRACE BACK % | RATE PERIODS | | | |
|--|---------------------|----------------------|--------------|--------------|------|------|------|
| | | | | 2002 | 2003 | 2004 | 2005 |
| f) 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. | Bldg/Fixed Dep. 001 | 187 | 100.00% | | 187 | | |
| | Bldg/Fixed Dep. 001 | 187 | 100.00% | | | 187 | |
| | Bldg/Fixed Dep. 001 | 187 | 97.14% | | | | 182 |
| Regulations: 10 NYCRR Sections 86-2.17(a) & (d) | | | | | | | |

| | | | | | | | |
|---|---------------------|-----|---------|--|--|--|-----|
| g) 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. The Facility operates offices at Tremont Avenue. These expenses and the associated depreciation expense have been disallowed because the costs are not properly chargeable to nursing facility patient care. | Bldg/Fixed Dep. 001 | 348 | 100.00% | | | | |
| | Bldg/Fixed Dep. 001 | 695 | 97.14% | | | | 348 |
| | | | | | | | 675 |
| Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Section 2102.3 | | | | | | | |

2. MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS

| | | | | | | | |
|---|-------------|----------|---------|--|----------|--------|--------|
| a) Providers receiving payments on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Comparison of the movable equipment asset listing to reported movable equipment for each cost period disclosed variances. Consequently, depreciation adjustments were necessary to reflect the depreciation expense documented in the asset listing. | ME Dep. 002 | 33,709 | 100.00% | | | | 33,709 |
| | ME Dep. 002 | (14,756) | 100.00% | | (14,756) | | |
| | ME Dep. 002 | 12,610 | 100.00% | | | 12,610 | |
| | ME Dep. 002 | 1,665 | 97.14% | | | | 1,617 |
| Regulations: 10 NYCRR Sections 86-2.17(a) & 86-2.19, PRM-1 Sections 2102.3, 2300 & 2304 | | | | | | | |

| | | | | | | | |
|--|-------------|--------|---------|--|--------|--------|--------|
| b) Providers receiving payment on the basis of reimbursable costs must provide adequate cost data based on financial and statistical records which can be verified on audit. Cost data must be current, accurate, and in sufficient detail. The Facility did not provide adequate documentation to substantiate reported movable equipment assets. Depreciation applicable to the unsubstantiated assets was disallowed. | ME Dep. 002 | 49,449 | 100.00% | | 49,449 | | |
| | ME Dep. 002 | 91,907 | 100.00% | | | 91,907 | |
| | ME Dep. 002 | 91,924 | 97.14% | | | | 89,295 |
| Regulations: 10 NYCRR Sections 86-2.4 & 2.7(a), PRM-1 Sections 2102.3 & 2300 | | | | | | | |

| | | | | | | | |
|--|-------------|-------|---------|--|-------|-------|-------|
| c) The Facility incorrectly capitalized costs that should have been expensed as operating costs because they were for repairs, inventory, or supplies. These expenditures should have been expensed in accordance with generally accepted accounting principles and the guidelines and definitions included in the RHCF Accounting and Reporting Manual. Accordingly, the depreciation expense applicable to these costs was disallowed. | ME Dep. 002 | 4,862 | 100.00% | | 4,862 | | |
| | ME Dep. 002 | 5,617 | 100.00% | | | 5,617 | |
| | ME Dep. 002 | 6,552 | 97.14% | | | | 6,365 |
| Regulations: 10 NYCRR Sections 451.168 and 86-2.4 | | | | | | | |

HEBREW HOSPITAL HOME, INC.
RATE PERIODS JANUARY 1, 2002 THROUGH DECEMBER 31, 2005
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

2. MOVABLE EQUIPMENT DEPRECIATION ADJUSTMENTS (CONT.)

d) 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. Reported movable equipment depreciation included depreciation on an expenditure for travel expenses for an employee totaling \$1,101. This expense is an operating expense, not a capital expense, and consequently it should not be reimbursed in the property component of the rate. Consequently, the applicable movable equipment depreciation was disallowed.
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Section 2102.3

e) 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.
Regulations: 10 NYCRR Sections 86-2.17(a) & (d)

f) All voluntary residential health care facilities are required to fund depreciation. Audited funding exceeded the funding limitation applied by the Bureau of Long Term Care Reimbursement in the promulgated rates. Therefore, depreciation expense was allowed up to the audited funding limitation for rate year 2004. Consequently, an allowance was made for rate year 2004.
Regulation: 10 NYCRR Section 86-2.19(b)

3. EQUIPMENT RENTAL ADJUSTMENTS

Providers receiving payment on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Furthermore, the cost information must be current, accurate and in sufficient detail. Audited equipment rental expense varied from the expense allowed in the rates resulting in adjustments.
Regulations: 10 NYCRR Section 86-2.7, PRM-1 Sections 2300 & 2304

| DESCRIPTION | COST CTR. | DISALLOWED (ALLOWED) | TRACE-BACK % | RATE PERIODS | | | | |
|-------------|-----------|----------------------|--------------|--------------|-------|-------|-------|-----------|
| | | | | 2002 | 2003 | 2004 | 2005 | |
| ME Depr. | 002 | 110 | 100.00% | | | | | |
| ME Depr. | 002 | 220 | 97.14% | | | | | 214 |
| ME Depr. | 002 | 5,575 | 100.00% | | 5,575 | | 5,575 | |
| ME Depr. | 002 | 5,546 | 97.14% | | | | | 5,387 |
| ME Depr. | 002 | (105,602) | 100.00% | | | | | (105,602) |
| Rent A | 051 | 7,062 | 100.00% | 7,062 | | | | |
| Rent A | 005 | 1,055 | 100.00% | | 1,055 | | | |
| Rent B | 006 | 825 | 100.00% | | 825 | | | |
| Rent F | 006 | (275) | 100.00% | (275) | | | | |
| Rent F | 031 | 147 | 100.00% | | | | 147 | |
| Rent G | 005 | 2,310 | 100.00% | 2,310 | | | | |
| Rent G | 013 | 2,561 | 100.00% | | | | 2,561 | |
| Rent G | 005 | 7,250 | 45.52% | | | | | 3,300 |
| Rent H | 005 | 4,625 | 100.00% | | | 4,625 | | |
| Rent H | 006 | 2,325 | 100.00% | | | | 2,325 | |
| Rent H | 006 | 1,925 | 98.46% | | | | | 1,895 |
| Rent I | 005 | 1,471 | 100.00% | 1,471 | | | | |
| Rent I | 051 | 2,577 | 100.00% | | 2,577 | | | |
| Rent I | 005 | 1,943 | 100.00% | | | | 1,943 | |
| Rent I | 031 | 29,134 | 100.00% | | | | | 29,134 |
| Rent J | 005 | 1,514 | 100.00% | 1,514 | | | | |
| Rent J | 013 | 7,656 | 100.00% | | | | | 7,656 |
| Other | 051 | 35,840 | 100.00% | | | | | 35,840 |

HEBREW HOSPITAL HOME, INC.
RATE PERIODS JANUARY 1, 2002 THROUGH DECEMBER 31, 2005
PROPERTY EXPENSE DISALLOWANCES/(ALLOWANCES)

4. WORKING CAPITAL INTEREST ALLOWANCE

Providers receiving payments on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Audited working capital interest expense varied from the expense allowed in the rate resulting in an allowance.
Regulations: 10 NYCRR Sections 86-2.20(a) & (d)(2)(i)

| DESCRIPTION | COST CTR. | DISALLOWED (ALLOWED) | TRACE-BACK % | RATE PERIODS | | | |
|-------------|-----------|----------------------|--------------|--------------|----------|------|------|
| | | | | 2002 | 2003 | 2004 | 2005 |
| WC Int. | 005 | (10,567) | 100.00% | | (10,567) | | |

5. MORTGAGE INSURANCE ALLOWANCES

Providers receiving payments on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Audited rate year mortgage insurance expense differed from what was allowed in the promulgated rate resulting in allowances.
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Section 2161

| | | | | | | | |
|------------|-----|----------|---------|--|--|----------|----------|
| Mort. Ins. | 005 | (1,774) | 100.00% | | | (1,774) | |
| Mort. Ins. | 005 | (33,219) | 100.00% | | | (33,219) | |
| Mort. Ins. | 005 | (31,616) | 45.52% | | | | (14,392) |

6. START-UP/ORGANIZATION COSTS DISALLOWANCE

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. The audit of organization costs disclosed that a majority of these costs were attributable to the managed care program at the Facility. Since the traceback did not properly reflect this allocation, the costs attributed to the Facility have been allowed and a 100% allocation has been used. Consequently, the expense relating to the portion of these costs for the non-nursing facility, managed care program has been disallowed.
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Sections 2102.3 & 2132

| | | | | | | | |
|-------------------|-----|---------|--------|--|--|--|--------|
| Start-Up Org Cost | 005 | 190,542 | 45.52% | | | | 86,735 |
|-------------------|-----|---------|--------|--|--|--|--------|

7. PROPERTY INSURANCE ADJUSTMENTS

Providers receiving payments on the basis of reimbursable costs are required to provide adequate cost data based on financial and statistical records that can be verified on audit. Cost data must be current, accurate, and in sufficient detail. Audited property insurance expense varied from the amount allowed in the rate. Consequently, adjustments were necessary.
Regulations: 10 NYCRR Section 86-2.17(a), PRM-1 Sections 2161 & 2300

| | | | | | | | |
|------------|-----|---------|---------|--|-------|---------|-------|
| Prop. Ins. | 005 | 2,921 | 100.00% | | | 2,921 | |
| Prop. Ins. | 005 | 4,626 | 100.00% | | 4,626 | | |
| Prop. Ins. | 005 | (2,820) | 100.00% | | | (2,820) | |
| Prop. Ins. | 005 | 4,089 | 45.52% | | | | 1,861 |

8. DIRECT ASSIGNMENT ADJUSTMENTS

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. The Facility operates an Adult Day Health Care (ADHC) program, a Home Health Care (HHC) program, and other programs. The capital component of the Facility for the rate period January 1, 2002 through December 31, 2004 contains all allowable capital expenditures incurred by the Facility including those applicable to the ADHC, HHC, and other programs. Costs pertaining to the ADHC, HHC, and other programs are not related to patient care of the nursing facility and should not be included in the nursing home rate computation. An adjustment was necessary to exclude costs not properly chargeable to nursing facility patient care.

| | | | | | | | |
|----------------|-----|---------|---------|--|---------|---------|--|
| Direct Assign. | 051 | 82,570 | 100.00% | | | 82,570 | |
| Direct Assign. | 051 | 141,496 | 100.00% | | 141,496 | | |
| Direct Assign. | 051 | 126,147 | 100.00% | | | 126,147 | |

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| Total Expense Disallowances/(Allowances) | \$ 153,799 | \$ 250,347 | \$ 57,815 | \$ 294,137 |
| AUDITED PROPERTY EXPENSE | \$ 1,560,200 | \$ 1,718,883 | \$ 2,034,299 | \$ 2,135,489 |