



# NEVADA CITY NURSING HOME

## 2019 AUDIT

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*PARTNER*



# HIGHLIGHTS OF 2019 AUDIT

1

No new findings, smooth process, good cooperation during audit

2

Audit adjustments impacted operating results

3

Nursing Home remains in solid financial position

# ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	<u>2019</u>	<u>2018</u>	<u>\$▲</u>
Current assets	\$ 4,151,924	\$ 4,392,633	\$ (240,709)
Capital assets, net	1,634,579	1,733,872	(99,293)
Net pension asset	1,115,869	1,195,241	(79,372)
Other assets	1,112,412	1,201,080	(88,668)
Deferred outflows of resources	<u>74,281</u>	<u>113,662</u>	<u>(39,381)</u>
Total assets and deferred outflows	<u>\$ 8,089,065</u>	<u>\$ 8,636,488</u>	<u>\$ (547,423)</u>

# LIABILITIES, DEFERRED INFLOWS AND NET POSITION

	<u>2019</u>	<u>2018</u>	<u>\$ ▲</u>
Total current liabilities	\$ 743,153	\$ 634,505	\$ 108,648
Deferred inflows of resources	184,651	196,102	(11,451)
Unearned lease revenue	<u>85,269</u>	<u>100,190</u>	<u>(14,921)</u>
Total liabilities	1,013,073	930,797	82,276
Total net position	<u>7,075,992</u>	<u>7,705,691</u>	<u>(629,699)</u>
Total liabilities, deferred inflows, and net position	<u>\$ 8,089,065</u>	<u>\$ 8,636,488</u>	<u>\$ (547,423)</u>

# COMBINING SCHEDULE – STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<b>Moore Few</b>	<b>Barone</b>	<b>2019 Total</b>	<b>2018 Total</b>	<b>\$ ▲</b>
Total Operating Revenues	\$ 5,622,081	\$ 2,406,596	\$ 8,028,677	\$ 7,583,129	\$ 445,548
Total Operating Expenses	<u>5,676,420</u>	<u>2,340,040</u>	<u>8,016,460</u>	<u>7,829,677</u>	<u>186,783</u>
Operating Income (Loss)	(54,339)	66,556	12,217	(246,548)	258,765
Nonoperating Revenues	<u>8,084</u>	<u>-</u>	<u>8,084</u>	<u>6,586</u>	<u>1,498</u>
Excess (Deficiency) of Revenues Over Expenses Before Transfers	<u>\$ (46,255)</u>	<u>\$ 66,556</u>	<u>\$ 20,301</u>	<u>\$ (239,962)</u>	<u>\$ 260,263</u>
Census June 30, 2019	28,534	14,468			
Census June 30, 2018	27,675	14,278			

# AUDIT ADJUSTMENTS

Total income - before audit	\$ 294,371
LAGERS pension adjustment	(116,764)
Increase allowance for doubtful accounts	(126,181)
Health insurance adjustment	(30,693)
Client provided adjustments	<u>(432)</u>
Total income - after audit	<u><u>\$ 20,301</u></u>

# LAGERS EXPENSE SUMMARY

	<u>2019</u>	<u>2018</u>	<u>\$ ▲</u>
Service cost	\$ 171,860	\$ 164,009	\$ 7,851
Interest cost	411,728	382,311	29,417
Projected earnings	(495,919)	(447,387)	(48,532)
Actuarial changes	122,316	94,068	28,248
Other	<u>20,745</u>	<u>(1,005)</u>	<u>21,750</u>
Total pension expense	<u><u>\$ 230,730</u></u>	<u><u>\$ 191,996</u></u>	<u><u>\$ 38,734</u></u>

# STATEMENTS OF CASH FLOWS

	<u>2019</u>	<u>2018</u>	<u>\$▲</u>
Net cash provided by (used in) operating activities	\$ 255,300	\$ (54,236)	\$ 309,536
Net cash used in noncapital financing activities	(650,000)	(1,000,000)	350,000
Net cash used in capital and related financing activities	(131,978)	(233,469)	101,491
Net cash provided by investing activities	<u>80,724</u>	<u>75,077</u>	<u>5,647</u>
Net decrease in cash	<u>\$ (445,954)</u>	<u>\$(1,212,628)</u>	<u>\$ 766,674</u>



# MANAGEMENT LETTER

## // Material Weakness

// Audit adjustment

## // Deficiencies

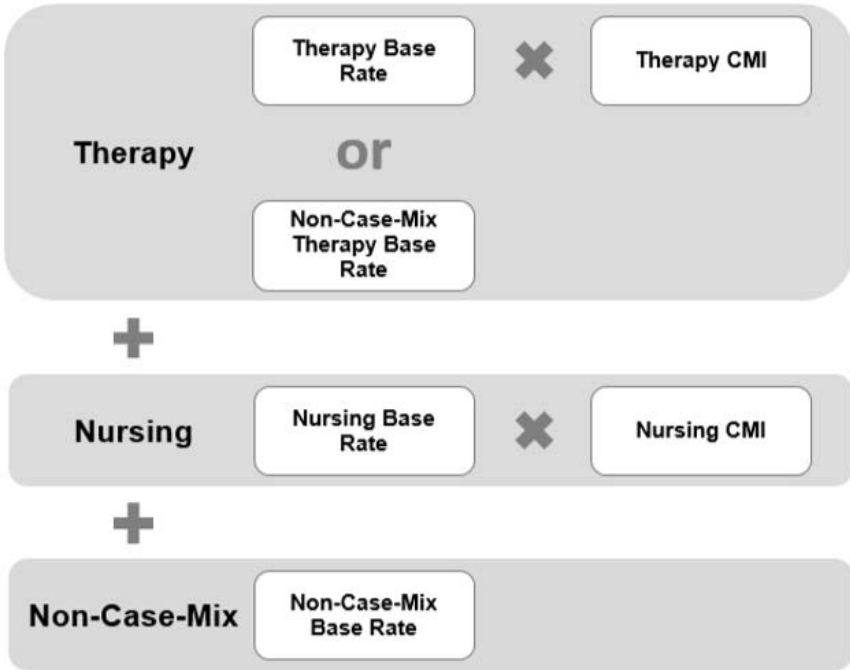
// Internal control matters

# **PATIENT DRIVEN PAYMENT MODEL (PDPM)**

- // Medicare reimbursement changed effective October 1, 2019**
- // Training staff is key and understanding new rules**
- // Under PDPM there are over 23,000 potential payment groups**
- // Specific rate components will vary throughout the stay**
- // MDS schedule changes**
- // 3 day interruption window**

# RUGS IV VS PDPM

## Current Case-Mix Adjusted Payment



## Recommended Case-Mix Adjusted Payment



# PAYMENT METHODOLOGY RATE COMPONENTS

	Per-Diem Base Rates		Case-Mix Index		Base Rate Range*	
	Urban	Rural	Low	High	Low	High
<b>Nursing</b>	\$105.92	\$101.20	0.66	4.06	\$ 69.91	\$430.04
<b>NTA</b>	\$ 79.91	\$ 76.34	0.72	3.24	\$ 57.54	\$258.91
<b>PT</b>	\$ 60.75	\$ 69.25	1.08	1.92	\$ 65.61	\$116.64
<b>OT</b>	\$ 56.55	\$ 63.60	1.09	1.69	\$ 61.64	\$ 95.57
<b>SLP</b>	\$ 22.68	\$ 28.57	0.68	4.21	\$ 15.42	\$ 95.48
<b>Non-Case Mix</b>	\$ 94.84	\$ 96.59	n/a	n/a	\$ 94.84	\$ 96.59

\* Urban Rates

# MISSOURI MEDICAID

- // Effective July 1, 2018, there have been net increases of approximately \$8.37 PPD**
- // Effective July 1, 2019, an additional \$1.49 PPD pending CMS Approval**
- // Capital component rebasing bill (S.B. 514 Section 208.225.3)**
  - // Any intermediate care facility or skilled nursing facility, as such terms are defined in section 198.006, participating in MO HealthNet that incurs total capital expenditures, as such term is defined in section 197.305, in excess of two thousand dollars per bed shall be entitled to obtain from the MO HealthNet division a recalculation of its Medicaid per diem reimbursement rate based on its additional capital costs or all costs incurred during the facility fiscal year during which such capital expenditures were made. Such recalculated reimbursement rate shall become effective and payable when granted by the MO HealthNet division as of the date of application for a rate adjustment.**

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**THANK YOU!**