TENNCARE REPORT

West Meade Place, LLP
Nashville, Tennessee

Depreciation Expense for the Period
January 1, 2011, Through December 31, 2011,
Resident Days for the Period
January 1, 2011, Through August 31, 2012,
and Resident Accounts for the Period
September 1, 2011, Through August 31, 2012

STATE OF TENNESSEE

COMPTROLLER OF THE TREASURY

Department of Audit

Division of State Audit

TENNESSEE COMPTROLLER OF THE TREASURY

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May 16, 2013

The Honorable Bill Haslam, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Mr. Darin Gordon, Deputy Commissioner
Bureau of TennCare
Department of Finance and Administration
310 Great Circle Road, 4W
Nashville, Tennessee 37243

Ladies and Gentlemen:

Pursuant to Section 71-5-130, *Tennessee Code Annotated*, and a cooperative agreement between the Comptroller of the Treasury and the Department of Finance and Administration, the Division of State Audit performs examinations of nursing facilities participating in the Tennessee Medical Assistance Program under Title XIX of the Social Security Act (Medicaid).

Submitted herewith is the report of the limited scope examination of the depreciation expense reported on the Medicaid cost report of West Meade Place, LLP, Nashville, Tennessee, for the period January 1, 2011, through December 31, 2011; resident days for the period January 1, 2011, through August 31, 2012; and resident accounts for the period September 1, 2011, through August 31, 2012.

Sincerely,

Deborah V. Loveless

Deborah V. Loveless, CPA
Director

DVL/pn
13/026

State of Tennessee

Audit Highlights

Comptroller of the Treasury Division of State Audit

TennCare Report
West Meade Place, LLP
Nashville, Tennessee
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January 1, 2011, Through December 31, 2011,
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THE EXAMINATION FOUND NO MATERIAL DEFICIENCIES OR DISCREPANCIES IN THE COST REPORT OR THE ACCOUNTS

West Meade Place, LLP
Nashville, Tennessee
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TABLE OF CONTENTS

	Page
INTRODUCTION	1
Purpose and Authority of the Examination	1
Background	1
Prior Examination Findings	2
Scope of the Examination	2
INDEPENDENT ACCOUNTANT'S REPORT	3

West Meade Place, LLP
Nashville, Tennessee
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INTRODUCTION

PURPOSE AND AUTHORITY OF THE EXAMINATION

The terms of contract between the Tennessee Department of Finance and Administration and the Tennessee Comptroller's Office authorize the Comptroller of the Treasury to perform examinations of nursing facilities that participate in the Tennessee Medicaid Nursing Facility Program.

Under their agreements with the state and as stated on cost reports submitted to the state, participating nursing facilities have asserted that they are in compliance with the applicable state and federal regulations covering services provided to Medicaid-eligible recipients. The purpose of our examination is to render an opinion on the nursing facilities' assertions that they are in compliance with such requirements.

BACKGROUND

To receive services under the Medicaid Nursing Facility Program, a recipient must meet Medicaid eligibility requirements under one of the coverage groups included in the *State Plan for Medical Assistance.* The need for nursing care is not in itself sufficient to establish eligibility. Additionally, a physician must certify that recipients need nursing facility care before they can be admitted to a facility. Once a recipient is admitted, a physician must certify periodically that continued nursing care is required. The number of days of coverage available to recipients in a nursing facility is not limited.

The Medicaid Nursing Facility Program provides for nursing services on two levels of care. Level I Nursing Facility (NF-1) services are provided to recipients who do not require an intensive degree of care. Level II Nursing Facility (NF-2) services, which must be under the direct supervision of licensed nursing personnel and under the general direction of a physician, represent a higher degree of care.

West Meade Place, LLP, Nashville, Tennessee, provides both NF-1 and NF-2 services. The facility is owned and operated by West Meade Place, LLP. The officers/members of the board of directors are as follows:

Roger Friedbauer
James Wright
Marlene Bramer

During the examination period, the facility maintained a total of 120 licensed nursing facility beds. The Division of Quality Assurance of the Department of Health licensed the facility for these beds. Eligible recipients receive services through an agreement with the Department of Health. Of the 43,800 available bed days, the facility reported 6,138 for Medicaid NF-1 residents and 851 for Medicaid NF-2 residents for the year ended December 31, 2011. Also, the facility reported total operating expenses of $10,575,988 for the period.

The Division of Quality Assurance inspected the quality of the facility's physical plant, professional staff, and resident services. The nursing facility met the required standards.

The following Medicaid reimbursable rates were in effect for the period covered by this examination:

Period	Level I NF (744-0505)	Level II NF (044-5203)
July 1, 2010, through June 30, 2011	$162.75	$177.66
July 1, 2011, through December 31, 2011	$162.73	$177.64
January 1, 2012, through June 30, 2012	$158.81	$173.35
July 1, 2012, through June 30, 2013	$165.07	$178.41

PRIOR EXAMINATION FINDINGS

The facility has not been examined within the past five years.

SCOPE OF THE EXAMINATION

Our examination covers certain financial-related requirements of the Medicaid Nursing Facility Program. The requirements covered are referred to under management's assertions specified later in the Independent Accountant's report. Our examination does not cover quality of care or clinical or medical provisions.

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Independent Accountant's Report

September 26, 2012

The Honorable Bill Haslam, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Mr. Darin Gordon, Deputy Commissioner
Bureau of TennCare
Department of Finance and Administration
310 Great Circle Road, 4W
Nashville, Tennessee 37243

Ladies and Gentlemen:

We have examined management's assertions, included in its representation letter dated September 26, 2012, that West Meade Place, LLP complied with the following requirements:

- Depreciation expense reported on the "Medicaid Nursing Facility Level 1 Cost Report" for the fiscal year ended December 31, 2011, was in accordance with federal regulations.

- Resident days reported on the cost report have been counted in accordance with state regulations. Medicaid resident days billed to the state from January 1, 2011, through August 31, 2012, when residents were hospitalized or on therapeutic leave are in accordance with bed hold rules.

- Charges to residents' personal funds from September 1, 2011, through August 31, 2012, are in accordance with state and federal regulations.

As discussed in management's representation letter, management is responsible for ensuring compliance with those requirements. Our responsibility is to express an opinion based on our examination.

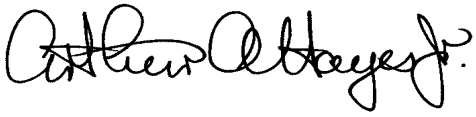
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining on a test basis, evidence about West Meade Place, LLP's compliance with those requirements and performing other such procedures we considered necessary. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on West Meade Place, LLP's compliance with specified requirements.

Our examination disclosed no material exceptions.

In our opinion, West Meade Place, LLP complied with, in all material respects, the aforementioned requirements for the depreciation expense reported on the Medicaid cost report for the period January 1, 2011, through December 31, 2011; for resident days for the period January 1, 2011, through August 31, 2012; and for resident accounts for the period September 1, 2011, through August 31, 2012.

This report is intended solely for the information and use of the Tennessee General Assembly and the Tennessee Department of Finance and Administration and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Sincerely,



Arthur A. Hayes, Jr., CPA
Director

AAH/pn