



MEDICAID EXAMINATION

Hillview Health Center Elizabethton, Tennessee

Cost Reports

January 1, 2022, Through December 31, 2022

Resident Days

January 1, 2022, Through June 30, 2023

Resident Accounts

September 1, 2022, Through August 31, 2023

Jason E. Mumpower
Comptroller of the Treasury



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Mission Statement

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JASON E. MUMPOWER
Comptroller

January 24, 2024

The Honorable Bill Lee, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Mr. Stephen Smith, Deputy Commissioner
Division 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 and agencies providing home- and community-based waiver services participating in the Tennessee Medical Assistance Program under Title XIX of the Social Security Act (Medicaid).

Submitted herewith is the report of the examination of the Medicare and Medicaid Supplemental Cost Reports of Hillview Health Center in Elizabethton, Tennessee, for the period January 1, 2022, through December 31, 2022; resident days for the period January 1, 2022, through June 30, 2023; and resident accounts for the period September 1, 2022, through August 31, 2023.

Sincerely,

A handwritten signature in blue ink that reads "Katherine J. Stickel". The signature is written in a cursive, flowing style.

Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit

KJS/pn
24/019

HILLVIEW HEALTH CENTER ELIZABETHTON, TENNESSEE

EXAMINATION HIGHLIGHTS

Examination Scope

*Cost Reports for the Period January 1, 2022, Through December 31, 2022;
Resident Days for the Period January 1, 2022, Through June 30, 2023; and
Resident Accounts for the Period September 1, 2022, Through August 31, 2023*

Findings Recommending Monetary Refunds

There are no findings recommending monetary refunds.

Findings Not Recommending Monetary Refunds

There are no findings not recommending monetary refunds.

**Medicaid Examination
Hillview Health Center, Elizabethton, Tennessee
Cost Reports for the Period
January 1, 2022, Through December 31, 2022;
Resident Days for the Period
January 1, 2022, Through June 30, 2023; and
Resident Accounts for the Period
September 1, 2022, Through August 31, 2023**

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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.

Hillview Health Center

Hillview Health Center in Elizabethton, Tennessee, provides both NF-1 and NF-2 services. The facility is owned by Ocoee Foundation, Inc., a nonprofit corporation in Cleveland, Tennessee. The following are key operational persons with the Ocoee Foundation:

John Sheehan, Jr. – President
Don Bradley – Vice President
John Sheehan, III – Director
Allen Smith – Director

Margaret Sheehan – Treasurer
Dorothy Phillips – Secretary
Kathleen Kupchynsky – Director
William Burton – Director

During the examination period, the facility maintained a total of 76 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 27,740 available bed days for the year ended December 31, 2022, the facility reported 13,017 for Medicaid residents. Also, the facility reported total operating expenses of \$9,597,063 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:

<u>Period</u>	<u>NF Rate</u> <u>744-0542</u>
January 1, 2022, through June 30, 2022	\$237.27
July 1, 2022, through December 31, 2022	\$243.93
January 1, 2023, through June 30, 2023	\$238.25
July 1, 2023, through December 31, 2023	\$283.11

Examination Scope

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.

Prior Examination Findings

There has not been an examination performed within the last five years.



JASON E. MUMPOWER
Comptroller

Independent Accountant's Report

December 19, 2023

The Honorable Bill Lee, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Mr. Steven Smith, Deputy Commissioner
Division 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 December 19, 2023, that Hillview Health Center complied with the following requirements:

- Income and expenses reported on the Skilled Nursing Facility and Supplemental Cost Reports are reasonable, allowable, and in accordance with state and federal rules, regulations, and reimbursement principles.
- Resident days reported on the Skilled Nursing Facility and Supplemental Cost Reports have been counted in accordance with state regulations. Medicaid resident days billed to the state for period when residents were discharged are in accordance with the rules.
- Charges to residents or residents' personal funds are in accordance with state and federal regulations, and they complied with the Nursing Facility Manuals as well as the agreement between the facility and the Department of Finance and Administration.

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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our unmodified opinion. Our examination does not provide a legal determination on the entity's compliance with specified requirements.

We are required to be independent of Hillview Health Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to the examination engagement.

Our examination did not discover any instances of material noncompliance applicable to state and federal regulations.

In our opinion, management's assertions that Hillview Health Center complied with the aforementioned requirements for income and expenses reported on the Medicare and Medicaid Supplemental Cost Reports for the period January 1, 2022, through December 31, 2022; resident days for the period January 1, 2022, through June 30, 2023; and resident accounts for the period September 1, 2022, through August 31, 2023, are fairly stated in all material respects.

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,



Katherine J. Stickel, CPA, CGFM, Director
Division of State Audit

KJS/pn

Findings and Recommendations

There are no findings or recommendations.