

State Auditor McGuinness Finds Second Long-Term Care Facility to be 'Unauditable'

DOVER, Del. – State Auditor Kathy McGuinness said today her office was unable to fully complete an examination of another long-term care facility because of a lack of proper documentation.

The Cadbury At Lewes Senior Living Community did not have the necessary documentation to support approximately \$1.1 million – about 18 percent of the total costs – during 2016, McGuinness said.

“I certainly understand that all long-term care facilities were hit hard by the pandemic and needed to focus resources on caring for their residents, but the new management at Cadbury At Lewes was unable to access the necessary records that the previous administration used to support its Medicaid Cost Report,” McGuinness said. “That rendered portions of the cost report unauditable.”

Delaware Code requires the State Auditor’s Office to perform audits of long-term care facilities (LTCFs) each year for the state Department of Health & Social Services (DHSS). The state’s LTCFs are audited on a rotating basis, and the Cadbury At Lewes Residence was among six facilities audited in fiscal year 2020-21 for its 2016 Medicaid Cost Report and Nursing Wage Survey.

“I acknowledge that Cadbury At Lewes has undergone a transition since becoming an affiliate of Springpoint Senior Living Inc. in 2017,” McGuinness said. “However, keeping track of this type of financial documentation should be part of every transaction.”

Although LTCFs are usually audited only every five to eight years, McGuinness said, her office will examine the facility, now known as The Moorings at Lewes, again in fiscal year 2022 for its 2018 Medicaid Cost Report and Nursing Wage Survey.

Last month, McGuinness said her office could not complete [an examination of the Jeanne Jugan Residence](#) in Newark because of a severe lack of documentation. In that case, facility management was given 18 months – nine months before the pandemic and nine months after – to produce documentation supporting approximately \$4 million in costs and did not do so.

The Cadbury At Lewes examination can be found on the Auditor's Office website [here](#).

Learn about the Delaware Auditor's Office at <https://auditor.delaware.gov>.

###

Contact:

Anna Nuzzolese, Executive Assistant

302-857-3907

anna.nuzzolese@delaware.gov