



OHIO AUDITOR OF STATE
KEITH FABER



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Independent Accountants' Report on Applying Agreed-Upon Procedures

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

RE: Elmwood Centers, Inc. DBA Elmwood Village
Ohio Medicaid Number 2806100

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Developmental Disabilities (DODD), on the Medicaid ICF-IID Cost Report of Elmwood Centers, Inc. DBA Elmwood Village (hereafter referred to as the Provider) for the period January 1, 2018 through December 31, 2018. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report. The sufficiency of these procedures is solely the responsibility of ODM and DODD. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Unless otherwise specified, Elmwood Centers, Inc. provided all reports used in the procedures and this report only describes exceptions exceeding \$500 and resulting in decreased costs.

Occupancy and Usage

1. We compared the number of Medicaid and non-Medicaid patient days from the Detailed Census Report – By Paper to *Schedule A-1, Summary of Inpatient Days*. We found no differences.
2. We selected eight residents' medical records for one month during 2018 and compared the total days of care with the inpatient days reported on the Detailed Census Report - By Payer and *Schedule A-1*. We found no differences.

Revenue

1. We compared the General Ledger with *Attachment 1, Revenue Trial Balance*, the Appendix to Ohio Admin. Code § 5123:2-7, and CMS Publication 15-1. We found no differences.
2. We scanned the General Ledger for any revenue offsets or applicable credits which were not reported on *Attachment 2, Adjustments to Trial Balance; Schedule B-1, Other Protected Costs; Schedule B-2, Direct Care Cost Center; or Schedule C, Indirect Cost Care Center* to offset corresponding expenses in accordance with CMS Publication 15-1, Chapters 1, 6, and 8. We did not identify any revenue offsets/applicable credits.

Medicaid Paid Claims

1. We selected paid claims for one month from the Quality Decision Support System (QDSS) for each of the eight residents selected in the Occupancy and Usage procedure and compared the reimbursed days to the days documented on the resident's medical records. We found no differences.

We compared the medical records to the requirements of CMS Publication 15-1, Chapter 23; Ohio Admin. Code §§ 5123-7-12, 5123:2-3-04, and 5160-1-17.2; and the payment adjustment requirements for resident's admission, discharge or death in Ohio Admin. Code § 5123:2-7-15. We found no differences.

Medicaid Paid Claims, Continued:

We also compared the medical records and documentation of authorized bed hold days in excess of 30 in a calendar year to the paid claims data and calculated a finding for any unauthorized bed hold days not in compliance with Ohio Admin. Code § 5123:2-7-08. We did not find any waiver respite days which were not in compliance with Ohio Admin. Code § 5123:2-7-03.

Recoverable Finding: \$ 19,404.11

The Provider was reimbursed for 78 unauthorized bed hold days for one recipient. We calculated a recoverable finding based on the payments for these 78 days.

2. We compared the number of reimbursed Medicaid days per QDSS with the total Medicaid days on reported on *Schedule A-1*. We found reported days equaled paid days.

Non-Payroll Expenses

1. We compared all non-payroll expenses on *Schedules B-1, B-2* and *C* to the General Ledger and Cost Report Adjustment worksheets. We found no variances.
2. We scanned the General Ledger and selected 20 non-payroll expenses and five home office expenses from *Schedules B-1, B-2*, and *C* and compared supporting documentation to Ohio Admin. Code § 5123-7-12, the Instructions for completing the DODD calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs-IID) (Cost Report Instructions) and CMS Publication 15-1. We found adjustments resulting in decreased costs as reported in the Appendix.
3. We scanned for any unreported contract costs which would require reporting on *Schedule C-3, Costs of Services from Related Parties*. We found no unreported contracts.
4. We compared the methodology used in the Home Office Allocation schedule for *Schedules B-1* and *C* to Ohio Admin. Code § 5123:2-7-12 and CMS Publication 15-1, Section 2150.

The Provider allocated 25 percent of home office costs to each of the three non-ICF facilities and the remaining 25 percent among its ICF-IIDs based on the number of licensed beds instead of the basis of total costs as required by CMS Publication 15-1, Section 2150.3 (D)(2)(b). We reviewed the revised Home Office Allocation Schedule which used a total cost allocation methodology and noted that it resulted in decreased costs as reported on the Appendix.

5. We compared the 2018 non-payroll costs reported on *Schedules B-1, B-2* and *C* by chart of account code to similar reported costs in 2017. We obtained explanations for five non-payroll variances that increased by more than five percent and \$500:
 - Medical Supplies – medicare non-billable costs increased on *Schedule B-1* due to a changes in residents' medical needs;
 - Active Treatment Off-Site Day Programming increased on *Schedule B-2* due to wage increases for staff;
 - Incontinence Supply increased on *Schedule C* due to a change in residents' care needs;
 - Housekeeping increased on *Schedule C* due to the prior year costs being understated; and
 - Dues, Subscriptions and Licenses increased on *Schedule C* due to prior year software costs being understated.

Property

1. We compared the initial square footage and year of construction of the 222 Academy Street facility from the floor plans to *Attachment 9, Fair Rental Value Survey*. We found differences in the year as reported in the Appendix. We found no square footage variances.

We did not test *Attachment 9, Log 1: Additional and Removals* as the Provider did not report any additions or removals.

2. We compared the project year, type and cost for the one renovation from the invoice to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovation to the Cost Report Instructions. We found no variances.
3. We compared the square footage and year of construction of the home office/records storage facility from the floor plan to *Attachment 9: Fair Rental Value Log 3: Secondary Buildings*. We found no variances.

We compared the utilization percentage from the floor plan and Home Office Allocation Summary to *Attachment 9* and to the Cost Report Instructions and CMS Publication 15-1. We found no variances.

4. We compared equipment depreciation and lease costs from *Schedule D, Analysis of Property, Plant, and Equipment* to the Asset Depreciation Report, equipment leases and invoices. We also compared the costs to the Cost Report Instructions and CMS Publication 15-1. We found no variances exceeding \$500 and resulting in decreased costs.

We selected one capital asset from account 8050 which was being depreciated in the first year in 2018. We recalculated the first year's depreciation for the asset selected, based on the Cost Report Instructions and useful life prescribed in Appendix A of Ohio Admin. Code § 5123:2-7-18. We compared the recalculated depreciation to the reported depreciation. We found no variances exceeding \$500 and resulting in decreased costs.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the General Ledger and Cost Report Adjustment worksheets to *Schedules B-1, B-2, C, Schedule C-1, Administrator's Compensation* and *Schedule C-2, Owner's Relatives Compensation*. We found no variances.
2. We selected a sample of five employees and the one contracted individual reported on *Schedules B-1, B-2* and *C*. We compared the job descriptions, contract agreement and one month of timesheets or other documentation of work performed to the schedule in which each employee's salary and fringe benefit expenses were reported. We compared the payroll costs to Ohio Admin. Code § 5123:2-7 and to CMS Publication 15-1, Chapter 9 and Section 2150. We found no variances greater than \$500 resulting in decreased costs.
3. We compared the 2018 payroll costs on *Schedules B-1, B-2, C, C-1* and *C-2* by chart of account code to similarly reported 2017 costs. We obtained explanations for five payroll variances that increased by more than five percent and \$500. The Director of Nursing, Program Director, Habilitation Supervisor, Habilitation Staff and Quality Assurance costs increased on *Schedule B-2* due to salary increases to retain employees.

Elmwood Centers, Inc. DBA Elmwood Village
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Medicaid ICF-IID Cost Report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of ODM and DODD, and is not intended to be, and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

August 13, 2020

Appendix A
Elmwood Centers, Inc. DBA Elmwood Village
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
18. Home Office Costs/Other Protected - 6095 - Other/Contract Wages (2)	\$ 1,246	\$ (507)	\$ 739	To apply proper cost allocation methodology for home office costs
Schedule C Indirect Care Cost Center				
24. Program Supplies - 7125 - Other/ Contract Wages (2)	\$ 1,832	\$ (943)		To remove costs allocable to other ICF-IIDs
		\$ (840)	\$ 49	To remove costs due to inadequate supporting documentation
48. Home Office Costs/Indirect Care - 7310 - Other/Contract Wages (2)	\$ 928	\$ (377)	\$ 551	To apply proper cost allocation methodology for home office costs
Schedule D Capital Cost Center				
11. Home Office Costs/Capital Cost - 8090 - Total (3)	\$ 2,005	\$ (815)	\$ 1,190	To apply proper cost allocation methodology for home office costs
Attachment 9, Fair Rental Value Survey				
Initial Construction				
Year of initial construction	2008	(2)	2006	To correct initial year of construction

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OHIO AUDITOR OF STATE KEITH FABER



ELMWOOD CENTERS DBA ELMWOOD VILLAGE

SANDUSKY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/25/2020

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This report is a matter of public record and is available online at
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