



OHIO AUDITOR OF STATE
KEITH FABER



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Independent Accountants' Report on Applying Agreed-Up Procedures

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

RE: Mount Aloysius, Corp.
Ohio Medicaid Number 0690088

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 Mount Aloysius, Corp. (hereafter referred to as the Provider) for the period January 1, 2017 through December 31, 2017. The Provider's management is responsible for preparing the Medicaid ICF-IID Cost Report (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, Mount Aloysius, Corp. 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 Summary of Revenue & Census report to *Schedule A-1, Summary of Inpatient Days*. We found no unreported days.
2. We selected eight residents' medical records for one month during February, March, April, July, October and December 2017 and compared the total days of care with the inpatient days reported on the Summary of Revenue & Census and *Schedule A-1*. We found no omitted days.

Revenue

1. We compared the Trial Balance and General Ledger with *Attachment 1, Revenue Trial Balance*, and the Appendix to Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1. We reported variances in the Appendix.
2. We scanned the Trial Balance and 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 found worker's compensation rebates exceeding \$500 as reported in the Appendix.

Medicaid Paid Claims

1. We selected paid claims from the Quality Decision Support system (QDSS) for the eight residents selected in the Occupancy and Usage procedure and compared reimbursed days to the days documented per the residents' medical records. We found no variances.

We compared the medical records to the general requirements of CMS Publication 15-1, Chapter 23; Ohio Admin. Code §§ 5123:2-7-12, 5123:2-3-04, 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 variances. We also compared the medical records and documentation of any authorized bed hold days in excess of 30 in a calendar year to the paid claims data. We found no unauthorized bed hold days not in compliance with Ohio Admin. Code § 5123:2-7-08. We also found no waiver respite days which were not in compliance with Ohio Admin. Code § 5123:2-7-03.

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

Non-Payroll Expenses

1. We compared all non-payroll expenses on *Schedule B-1*, *Schedule B-2* and *Schedule C* to the Trial Balance and General Ledger. We identified a variance for active treatment fees; however, the Provider stated that the active treatment cost entries in the General Ledger were recorded incorrectly and provided an Active Treatment Summary showing a revised total. We selected three non-payroll expenses from the Active Treatment Summary and compared to the invoices. We found no differences. We then compared the Active Treatment Summary to the non-payroll expenses on *Schedules B-1*, *B-2* and *C* and reported the variance in the Appendix.
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 § 5123:2-7, Cost Report Instructions for ICF-IID and CMS Publication 15-1. We found non-reimbursable costs exceeding \$500 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 omitted contracts.
4. We compared the allocation methodology on the Home Office Trial Balance and General Ledger to the Home Office costs on *Schedules B-1*, *B-2* and *C* and to Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1, Section 2150. We found no reclassifications or adjustments resulting in decreased costs.
5. We compared the 2017 non-payroll costs reported on *Schedules B-1*, *B-2* and *C* by chart of account code to similar reported costs in 2016. 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 an increase in medical supplies needed;
 - Active Treatment Off-site Day Program (Internally Provided) costs increased on *Schedule B-2* due to cost report format change;
 - Physical Therapy Assistant costs increased on *Schedule B-2* due to being coded in error as Contracted Physical Therapy;
 - Home Office Costs/Indirect costs increased on *Schedule C* due to due to changes in the cost report accounting methodology; and
 - Repair and Maintenance costs increased on *Schedule C* due to an increase in repairs.

Property

1. We compared the initial square footage and year of construction of the 5375 Tile Plant Road facility from the Perry County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. We found no differences in the year. We found no square footage variance exceeding 10 percent.

We did not perform the procedure for additions and removals as the Provider did not report any on *Attachment 9, Log 1: Additional and Removals*.

2. We compared the project year and cost for five renovations from the invoices to *Attachment 9, Fair Rental Value Log 2: Renovations Projects*. We also compared the type and cost of the renovations to the Cost Report Instructions for ICF-IID. We found no differences in the project year. We reported variances in costs in the Appendix.
3. We did not compare secondary buildings to supporting documentation as the Provider did not report any secondary buildings on *Attachment 9*.
4. We compared equipment depreciation from *Schedule D, Analysis of Property, Plant, and Equipment* to the Depreciation Expense report. We also compared these costs to the Cost Report Instructions and CMS Publication 15-1. We found no variances exceeding \$500.

We also selected one capital asset from account 8040 which was depreciated in the first year. 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 and found no variances exceeding \$500 resulting in decreased costs.

Payroll

1. We compared all salary, fringe benefits, payroll tax entries and hours worked on the Trial Balance and General Ledger to *Schedule B-1; Schedule B-2; Schedule C; Schedule C-1, Administrator's Compensation; and Schedule C-2, Owner's Relatives Compensation*. We found no variances.
2. We selected five employees and two contracted individuals reported on *Schedules B-1, B-2, C and C-1*. We compared the employee list, invoices and timecard reports to the schedule in which each employee's salary and fringe benefit expenses were reported. We confirmed the payroll costs were properly classified, allocated and allowable in accordance with Ohio Admin. Code § 5123:2-7 and CMS Publication 15-1, Chapter 9 and Section 2150. We found no variances.
3. We compared the 2017 payroll costs on *Schedules B-1, B-2, C, and C-1* by chart of account code to similarly reported 2016 costs. We obtained the Provider's explanations for four payroll variances that increased by more than five percent and \$500:
 - Speech Therapist costs increased on *Schedule B-2* due to an increased case load;
 - Administrator costs increased on *Schedule C* due to an Administrator cashing out leave; and
 - Home Office Costs/Direct Care costs increased on *Schedule B-2* and Home Office Costs/Indirect Care costs increased on *Schedule C* due to changes in the cost report accounting methodology.

Mount Aloysius, Corp.
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 the ODM and DODD, and is not intended to be, and should not be used by anyone other than the specified parties.



Keith Faber
Auditor of State
Columbus, Ohio

July 9, 2020

Appendix
Mount Aloysius, Corp.
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-2 Direct Care Cost Center				
22. Active Treatment Off-site Day Programming Internally Provided) - 6215 - Other/Contract Wages (4)	\$ (5,863)	\$ (3,758)	\$ (9,621)	To record worker's compensation offset added to Attachment 2
23. Active Treatment Off-site Externally Provided - 6217 Other/Contract Wages (2)	\$ 191,179	\$ (9,938)	\$ 181,241	To correct costs reported to actual
25. Home office Costs/Direct Care - 6230 - Adjustments Increases (Decreases) (4)	\$ -	\$ (65,332)	\$ (65,332)	To record worker's compensation offset added to Attachment 2
6520 - Adjustments Increases (Decreases) (4)	\$ -	\$ (3,867)	\$ (3,867)	To record worker's compensation offset added to Attachment 2
Schedule C Indirect Care Cost Center				
7065 - Adjustments Increases (Decreases) (4)	\$ -	\$ (2,869)	\$ (2,869)	To record worker's compensation offset added to Attachment 2
48. Home Office Costs/Indirect Care - 7310 - Other/Contract Wages (2)	\$ 363,564	\$ (2,711)	\$ 360,853	To reclassify non patient care costs to non federal reimbursable
7310 - Adjustments Increases (Decreases) (4)	\$ -	\$ (1,685)	\$ (1,685)	To record worker's compensation offset added to Attachment 2
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 99,358	\$ 2,711	\$ 102,069	To reclassify non patient care costs to non federal reimbursable
Attachment 1 Revenue Trial Balance Non-Operating				
59. Other - Specify Below - 5400	\$ 240,892	\$ 3,254	\$ 244,146	To add contract wages not reported as revenue
63. Rebates and Refunds - 5530	\$ 179,987	\$ (9,770)	\$ 170,217	To correct rebates and refunds reported
78. Contributions - 5670	\$ -	\$ 15,840	\$ 15,840	To add contributions not reported as revenue
Attachment 2				
1. Offset Worker's compensation, (5) Expense Chart of Account #		6215		To add offset for workers compensation rebates
1. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line		22		To add offset for workers compensation rebates
1. Offset Worker's compensation, (1) Revenue Chart of Account #		5530		To add offset for workers compensation rebates
1. Offset Worker's compensation, (3) Other Increase (Decrease)		\$ (3,758)		To add offset for workers compensation rebates
2. Offset Worker's compensation, (5) Expense Chart of Account #		6230		To add offset for workers compensation rebates
2. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line		25		To add offset for workers compensation rebates
2. Offset Worker's compensation, (1) Revenue Chart of Account #		5530		To add offset for workers compensation rebates
2. Offset Worker's compensation, (3) Other Increase (Decrease)		\$ (65,332)		To add offset for workers compensation rebates
3. Offset Worker's compensation, (5) Expense Chart of Account #		6520		To add offset for workers compensation rebates
3. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line		39		To add offset for workers compensation rebates
3. Offset Worker's compensation, (1) Revenue Chart of Account #		5530		To add offset for workers compensation rebates
3. Offset Worker's compensation, (3) Other Increase (Decrease)		\$ (3,867)		To add offset for workers compensation rebates
4. Offset Worker's compensation, (5) Expense Chart of Account #		7065		To add offset for workers compensation rebates
4. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line		13		To add offset for workers compensation rebates
4. Offset Worker's compensation, (1) Revenue Chart of Account #		5530		To add offset for workers compensation rebates
4. Offset Worker's compensation, (3) Other Increase (Decrease)		\$ (2,869)		To add offset for workers compensation rebates

Appendix
 Mount Aloysius, Corp.
 Medicaid ICF-IID Cost Report Adjustments
 Page 2

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Attachment 2 (continued)				
5. Offset Worker's compensation, (5) Expense Chart of Account #		7310		To add offset for workers compensation rebates
5. Offset Worker's compensation, (6) Revenue Reference Attachment 1 Line		48		To add offset for workers compensation rebates
5. Offset Worker's compensation, (1) Revenue Chart of Account #		5530		To add offset for workers compensation rebates
5. Offset Worker's compensation, (3) Other Increase (Decrease)		\$ (1,685)		To add offset for workers compensation rebates
Attachment 9				
Fair Rental Value Log 2: Renovation Projects Log				
Project Description				
38. Building Improvements - 2012 - Project	\$ 20,469	\$ (975)	\$ 19,494	To agree to supporting documentation
41. Building Improvements - 2016 - Project	\$ 112,669	\$ (2,576)	\$ 110,093	To agree to supporting documentation

OHIO AUDITOR OF STATE KEITH FABER



MOUNT ALOYSIUS

PERRY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 23, 2020**