



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
88 East Broad Street  
Columbus, Ohio 43215  
(614) 466-3340  
ContactMCA@ohioauditor.gov

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the Developmental Center Cost Reports for the year ended June 30, 2020 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the management of the Ohio Department of Developmental Disabilities (DODD), for the following developmental centers: Cambridge, Columbus, Gallipolis, Mount Vernon, Northwest Ohio, Southwest Ohio, Tiffin and Warrensville (the Centers). The DODD is responsible for the Cost Reports for the year ended June 30, 2020 and certain compliance requirements related to the Cost Reports and Medicaid services included in the information provided to us by DODD.

The Ohio Department of Medicaid has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Cost Reports for the year ended June 30, 2020, and certain compliance requirements related to the Cost Reports and Medicaid services. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Each of the following procedures were performed for each Center operated by the DODD. Paid services were obtained from the Medicaid warehouse and any related improper payment was calculated using the Paid Line Amount Facility amount.

### Census Data and Medicaid Paid Claims

1. We footed the inpatient days on the Summary of Inpatient Day and the Actual Monthly Individual Roster reports for each Center. There were no computational differences.

We compared the total number of the inpatient days and leave days reported on the Summary of Inpatient Day and Actual Monthly Individual Roster reports to *Worksheet F, Medicaid Certified Beds and Inpatient Days*. We found omitted days for Cambridge, Northwest Ohio, Southwest Ohio, Tiffin, and Warrensville Centers as reported in the Appendix.

2. We selected five residents for one month from the Actual Monthly Individual Roster and included residents with leave days. We determined if each Center maintained documentation of services provided or leave days for each paid date of service as required per Ohio Admin. Code §§ 5160:3-99(D)(3) and 5160-1-17.2(D). We found no unsupported days.

For any reimbursed leave days, we totaled the leave days for each resident for the year from the Actual Monthly Individual Roster reports. For any days over 30, we confirmed the days were prior authorized as required by Ohio Admin. Code § 5123:2-7-08(E). We found no exceptions.

### **Census Data and Medicaid Paid Claims (Continued)**

3. We compared the total number of reimbursed Medicaid days with the total Medicaid days reported on *Worksheet F*. We found final reported days exceeded total net Medicaid reimbursed days for each Center except for Gallipolis and Tiffin. We found total final reported days equaled net Medicaid reimbursed days for Gallipolis and Tiffin Centers.

### **Non-Payroll Expenses**

1. We compared all direct non-payroll expenses from the Ohio Administrative Knowledge System (OAKS) General Ledger for each Center to *Worksheets A, Trial Balance of Expense; Worksheet A1, Direct Expenses; Worksheet C, Basis for Cost Allocation-Statistics Non-Labor Related Components; and Worksheet D, Ancillary Cost – Step Down – Labor and Non Labor Related Component*.

We found no reclassifications between schedules exceeding \$500 or any variances resulting in decreased costs.

2. We compared all indirect costs from the OAKS General Ledger, Voucher Detail report, Quarterly MAC reports, State Wide Cost Allocation Plan memo to the Indirect Cost Pool Worksheet and the indirect worksheet to *Worksheet A3*. We found a variance for unsupported 520 account group costs which resulted in decreased costs for all Centers as reported in the Appendix.

We compared the indirect cost methodology description in DODD's Cost Allocation Plan with the indirect cost methodology of the Indirect Cost Pool Worksheet. We found no differences resulting in reclassifications between worksheets exceeding \$500 or any variances resulting in decreased costs.

3. We scanned the OAKS Voucher Detail report for potential unallowable or improperly allocated costs per the Centers for Medicare and Medicaid (CMS) Publication 15-1, Provider Reimbursement Manual Chapter 21 and 23 (hereafter referred to as CMS 15-1) and costs with no business purpose associated with a Center that were reported on *Worksheets A, A1, A3, C and D*.

We selected 60 non-payroll indirect shared central service cost expenses and 20 direct non-payroll expenses that exceed \$500 from each Center and obtained the invoice and/or contract for each selected expense and, if the purpose of the expense was unclear, we inquired with the DODD. Using this documentation, we performed the following procedures on each expense:

- We confirmed if the documentation for the full cost of each expense was maintained in accordance with Ohio Admin. Code § 5160:3-99(D)(3). We found no unsupported expenses resulting in decreased costs.
- We footed the documentation for each expense for accuracy. We found no computational differences.
- We compared the invoice rate to the contractual rate and found no differences in the rates.
- We compared the expense documentation to the unallowable categories listed in CMS 15-1, Chapter 21 and 2 CFR 200.400 - .475. We found unallowable shared and direct costs for all Centers resulting in decreased costs as reported in the Appendix. For any errors found in the above, we scanned the corresponding invoices to identify any additional similar errors or misclassifications and found none.
- We compared the documented direct non-payroll expense and type of expense to the worksheet and program code and cost component classification on the Cost Report and with Developmental Center Cost Report Instructions (Cost Report Instructions). We found a reclassification between program codes exceeding \$500 for Gallipolis Center as reported in the Appendix.

### Non-Payroll Expenses (Continued)

- We documented the name and type of expense and inquired with DODD to confirm that the business purpose of the indirect expense benefitted multiple Centers, per CMS Publication 15-1 § 2302.4. We identified costs that did not benefit all Centers as reported in the Appendix. For any errors found in the above, we scanned the corresponding invoices to identify any additional similar errors or misclassifications and found none.
- We compared the cost and type of each expense to the documentation and to the DODD's Depreciation/ Capitalization Policy to confirm that the expense was not a capital asset. We found no unrecorded capital assets.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per the Cost Report Instructions and with DODD's Cost Allocation Plan.

We found differences for shared costs that did not benefit the Centers but were included in the indirect cost pool and allocated to all programs. The cost methodology in DODD's Cost Allocation Plan states in pertinent part that "Only costs that are allowable in accordance with 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, will be allocated to benefitting programs by DODD."

- We confirmed each amount was expensed during state fiscal year (SFY) 2020 and used the proper accounting basis in accordance with the Cost Report Instructions.

### Property

1. We compared the depreciation costs on the OAKS Asset Management report to *Worksheets A* and *A3*. We found no variances resulting in decreased costs.
2. We scanned the OAKS Asset Management report for depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, losses on disposals, or depreciation taken on assets during the period of acquisition or depreciation not properly classified in accordance with CMS 15-1, Chapter 1. We found no variances resulting in decreased costs.

### Payroll

1. We compared all salary and fringe benefit expenses from the OAKS Transactional Disbursement data to payroll expenses on *Worksheets A, A1, A3, B, and D*. There were no reclassifications between schedules exceeding \$500 or any variances resulting in decreased costs.
2. We selected three employees reported on *Worksheets A, A1, A3, and B* for each Center including one employee allocated across the Centers and obtained the organizational chart, job descriptions, HCM004 Deductions, Earnings and Taxes by Object and Expense report and DC Salaries schedule, and if the programs which benefit from the employees work was unclear, we inquired with DODD (payroll documentation). Using this payroll documentation, we performed the following procedures on each selected employee:
  - We confirmed if payroll documentation for the full cost of each expense was maintained in accordance with Ohio Admin. Code § 5160:3-99(D)(3). There were no unsupported payroll expenses resulting in decreased costs.
  - We compared the employee payroll documentation to the unallowable categories listed in CMS 15-1, Chapter 21 and identified any cost that does not benefit the Center in accordance with Ohio Admin. Code § 5160:3-99(D)(3). We found no non-reimbursable costs or costs without benefit to the Center.

**Payroll (Continued)**

- We compared the documented cost and type of payroll expense to the worksheet and reported program code classification and to the Cost Report Instructions. We found no reclassifications between worksheets or program codes exceeding \$500.
- For any employee costs allocated across Centers, we compared the cost methodology and allocation statistics for each expense to the allowable methods per Cost Report Instructions and with DODD's Cost Allocation plan. We found no cost methodologies or allocation statistics not in accordance with the Cost Report Instructions or cost allocation plan.
- We confirmed the allocated payroll costs were expensed during SFY 2020 and used the proper accounting basis in accordance with the Cost Report Instructions.

We were engaged by the Ohio Department of Medicaid to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Center's Developmental Cost Reports and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the DODD and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed upon procedures engagement.



Keith Faber  
Auditor of State  
Columbus, Ohio

June 2, 2023

**Appendix  
DODD Developmental Centers  
SFY 2020 Cost Report Adjustments**

	Reported Amount		Correction	Corrected Amount	Explanation of Correction
<b>Cambridge Developmental Center</b>					
<b>Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments</b>					
4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (1,578)		To reclassify staff appreciation gifts as non-reimbursable costs
			\$ (28)		To remove unsupported 520 indirect costs
			\$ (7,580)	\$ (9,186)	To remove unallowable shared costs and costs that do not indirectly benefit Centers
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -		\$ 1,578	\$ 1,578	To reclassify staff appreciation gifts as non-reimbursable costs

**Worksheet F - Medicaid Certified Beds & Inpatient Days**

Audit Adjustments	-		1	1	To add omitted inpatient day for November
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**Columbus Developmental Center**

**Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments**

4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (1,394)		To reclassify staff appreciation gifts as non-reimbursable costs
			\$ (43)		To remove unsupported 520 indirect costs
			\$ (11,575)	\$ (13,012)	To remove unallowable shared costs and costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -		\$ (1,191)	\$ (1,191)	To reclassify staff appreciation gifts as non-reimbursable costs
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -		\$ 1,394	\$ 1,394	To reclassify staff appreciation gifts as non-reimbursable costs
25. Other Non-Reimbursable (16) Field Audit Non-Labor Adjustments	\$ -		\$ 1,191	\$ 1,191	To reclassify staff appreciation gifts as non-reimbursable costs

**Appendix  
DODD Developmental Centers  
SFY 2020 Cost Report Adjustments**

	<b>Reported Amount</b>		<b>Correction</b>		<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Gallipolis Developmental Center</b>						
<b>Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments</b>						
4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (1,905)			To reclassify staff appreciation gifts as non-reimbursable costs
			\$ (30)			To remove unsupported 520 indirect costs
			\$ (8,047)	\$ (9,982)		To remove unallowable shared costs and costs that do not indirectly benefit Centers
4. Administration and General (16) Field Audit Non-Labor Adjustments	\$ -		\$ (1,157)	\$ (1,157)		To reclassify staff appreciation gifts as non-reimbursable costs
9. Dietary (14) Field Audit Labor Adjustments	\$ -		\$ (2,730)	\$ (2,730)		To reclassify psychologist services reported in dietary
13. Psychology (14) Field Audit Labor Adjustments	\$ -		\$ 2,730	\$ 2,730		To reclassify psychologist services reported in dietary
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -		\$ 1,905	\$ 1,905		To reclassify staff appreciation gifts as non-reimbursable costs
25. Other Non-Reimbursable (16) Field Audit Non-Labor Adjustments	\$ -		\$ 1,157	\$ 1,157		To reclassify staff appreciation gifts as non-reimbursable costs

**Mount Vernon Developmental Center**

<b>Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments</b>						
4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (497)			To reclassify staff appreciation gifts as non-reimbursable costs
			\$ (33)			To remove unsupported 520 indirect costs
			\$ (8,943)	\$ (9,473)		To remove unallowable shared costs and costs that do not indirectly benefit Centers
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -		\$ 497	\$ 497		To reclassify staff appreciation gifts as non-reimbursable costs



**Appendix  
DODD Developmental Centers  
SFY 2020 Cost Report Adjustments**

	Reported Amount		Correction	Corrected Amount	Explanation of Correction
<b>Northwest Ohio Developmental Center</b>					
<b>Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments</b>					
4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (1,341)		To reclassify staff appreciation gifts as non-reimbursable costs
			\$ (36)		To remove unsupported 520 indirect costs
			\$ (9,867)	\$ (11,244)	To remove unallowable shared costs and costs that do not indirectly benefit Centers
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -		\$ 1,341	\$ 1,341	To reclassify staff appreciation gifts as non-reimbursable costs

**Worksheet F - Medicaid Certified Beds & Inpatient Days**

Audit Adjustments	-		128	128	To add omitted inpatient days for February to June
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**Southwest Ohio Developmental Center**

**Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments**

4. Administration and General (14) Field Audit Labor Adjustments	\$ -		\$ (1,652)		To reclassify staff appreciation gifts as non-reimbursable costs
			\$ (36)		To remove unsupported 520 indirect costs
			\$ (9,927)	\$ (11,615)	To remove unallowable shared costs and costs that do not indirectly benefit Centers
25. Other Non-Reimbursable (14) Field Audit Labor Adjustments	\$ -		\$ 1,652	\$ 1,652	To reclassify staff appreciation gifts as non-reimbursable costs

**Worksheet F - Medicaid Certified Beds & Inpatient Days**

Audit Adjustments	-		63	63	To add omitted leave days for July and inpatient days for February
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**Appendix  
DODD Developmental Centers  
SFY 2020 Cost Report Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Tiffin Developmental Center</b>				
<b>Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments</b>				
4. Administration and General (14)				To reclassify staff appreciation gifts as non-reimbursable costs
Field Audit Labor Adjustments	\$ -	\$ (3,813)		
		\$ (33)		To remove unsupported 520 indirect costs
		\$ (7,790)	\$ (11,636)	To remove unallowable shared costs and costs that do not indirectly benefit Centers
25. Other Non-Reimbursable (14)				To reclassify staff appreciation gifts as non-reimbursable costs
Field Audit Labor Adjustments	\$ -	\$ 3,813	\$ 3,813	

**Worksheet F - Medicaid Certified Beds & Inpatient Days**

Audit Adjustments	-	149	149	To add omitted inpatient days for February to June
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**Warrensville Developmental Center**

**Worksheet A - Adjustments, Summary of Desk Review and Field Audit Adjustments**

4. Administration and General (14)				To reclassify staff appreciation gifts as non-reimbursable costs
Field Audit Labor Adjustments	\$ -	\$ (414)		
		\$ (45)		To remove unsupported 520 indirect costs
		\$ (12,118)	\$ (12,577)	To remove unallowable shared costs and costs that do not indirectly benefit Centers
25. Other Non-Reimbursable (14)				To reclassify staff appreciation gifts as non-reimbursable costs
Field Audit Labor Adjustments	\$ -	\$ 414	\$ 414	

**Worksheet F - Medicaid Certified Beds & Inpatient Days**

Audit Adjustments	-	131	131	To add omitted inpatient days for November, January and June
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# OHIO AUDITOR OF STATE KEITH FABER



**OHIO DEPARTMENT OF DEVELOPMENTAL DISABILITIES DEVELOPMENTAL CENTERS  
FRANKLIN 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 8/29/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)