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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

We have performed the procedures enumerated below on the Lake County Board of Developmental Disabilities Adult Residence Center ICF's Medicaid Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF-IID) Cost Report and Medicaid payments for the year ended December 31, 2022 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the management of the ICF-IID. The ICF-IID is responsible for the Cost Report for the year ended December 31, 2022 and certain compliance requirements related to the Cost Report and Medicaid services included in the information provided to us by the ICF-IID.

The Ohio Department of Medicaid and the Ohio Department of Developmental Disabilities have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the ICF-IID's Cost Report for the year ended December 31, 2022, and certain compliance requirements related to the Cost Report 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.

The procedures and the associated findings are as follows:

Census Data and Medicaid Paid Claims

1. We footed the Monthly Census Records and Attendance Summary. There were no computational errors. We compared the total of inpatient and leave days from the Monthly Census Records to the Attendance Summary and from the Summary to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected four residents from the Monthly Census Records and included residents with leave days in the selection. We obtained the medical records for the selected individuals for one month. We confirmed the ICF-IID maintained service documentation for each selected date as required by Ohio Admin. Code §§ 5123-7-12(H) and 5123-3-04(J). We found no omitted days.

For any reimbursed leave days, we obtained the remaining Monthly Census Records and any prior authorization documentation. We totaled the leave days per resident and, for any days over 30, we confirmed all days were prior authorized as required by Ohio Admin. Code § 5123-7-08(E) except 10 days for one resident during the months of June and July.

Census Data and Medicaid Paid Claims (Continued)

Recoverable Finding: \$3,232.14

We compared the unauthorized days to the Summary by Service Code and we calculated a finding in the amount of \$3,232.14 for the 10 unauthorized days in accordance with Ohio Admin. Code § 5123-7-08.

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that reported days are greater than net Medicaid reimbursed days.

Revenue

1. We agreed the revenue on the General Ledger to *Attachment 1, Revenue Trial Balance* and with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report Instructions. There were variances exceeding \$500 as reported in the Appendix.
2. We scanned the description in the General Ledger for any discounts, allowances or refunds or rebates and compared these entries to the chart of account codes 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*. We found no unreported offsets.

Non-Payroll Expenses

1. We compared all non-payroll expenses from the Cost Grid and the Stats Allocation worksheet to the Trial Balance and from the Trial Balance to *Schedule B-1, B-2 and C*. We found variances resulting in decreased costs as reported in the Appendix.
2. We scanned the General Ledger for potentially unallowable or improperly allocated costs and costs with no business purpose associated with the ICF-IID per CMS Publication 15-1, § 2102 to 2139 and § 2302.4.

We selected 30 non-payroll expenses from *Schedules B-1, B-2 and C* that exceeded \$500, including a minimum of two contract personnel/position vouchers, and obtained the invoice and/or contract for each expense, and, if the purpose of the expense was unclear, we inquired with the ICF-IID. Using this documentation and any additional explanations, we performed the following procedures on each expense:

- We confirmed if the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found variances resulting in decreased costs as reported in the Appendix.
- We footed the invoice/documentation for accuracy. We found no computational differences. We compared the invoice rate to the contracted rate. We found no variances within the rates.
- We compared the documentation for each expense to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139. We found non-reimbursable costs as reported in the Appendix. For these errors, we scanned the General Ledger for other like errors in the same cost center and found additional similar errors. We totaled all identified errors as reported in the Appendix.

Non-Payroll Expenses (Continued)

- We compared the documented type of non-payroll expense to the schedule and chart of account classification reported on the Cost Report and to the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12 and the Instructions for completing the Ohio Department of Developmental Disabilities calendar year cost report for Intermediate Care Facilities for Individuals with Intellectual Disabilities Cost Report (Cost Report Instructions). We found no variances between schedules exceeding \$500.
- We documented the name and type of expense and inquired with ICF-IID to confirm that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4. We found costs that did not benefit the ICF-IID as reported in the Appendix.
- We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 to confirm that the expense was not a capital asset. We found unidentified capital assets and removed the expense and added depreciation costs as reported in the Appendix.
- We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found variances resulting in decreased costs as reported in the Appendix. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.

Payroll

1. We compared all salary and fringe benefits on the Trial Balance and ARC Wages report to *Schedules B-1, B-2, and C*. We found no variances.

We also compared hours and percentage of time worked and salaries from the ARC Wages report to *Schedule C-1, Administrator's Compensation* and *Schedule C-2, Owner's Relatives Compensation*. There were no variances.

2. We obtained the Payroll Extract by Department and Job Code report and selected five employees reported on Schedules B-1, B-2, C and the employee reported on Schedule C-1 and if the programs with benefit from the employees' work is unclear, we inquired with the ICF-IID. We performed the following procedures on each selected employee:

- We compared the ARC Wages report to the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances for unsupported expenses.
- We compared the job description for each employee to the unallowable categories listed in CMS Publication 15-1, § 2102 to 2139 and determined if the employee salary and benefit costs benefitted the Medicaid program in accordance with CMS Publication 15-1 § 2302.4. We found no non-reimbursable costs.
- We compared the employee job description and salary and benefit costs on the ARC Wages report to the schedule and account classification reported on the Cost Report and to the chart of account classification in the Appendix to Ohio Admin. Code § 5123-7-12 and to the Cost Report instructions. We found no variances.

Payroll (Continued)

- We compared the cost methodology and allocation statistics for each employees' salary and benefit costs to the allowable methods per CMS Publication 15-1 § 2302.8 and determined if employees' salary and benefit costs were expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions. We found no variances.

Property

1. We compared the initial square footage and year of construction of the ICF-IID facility at 8121 Deepwood Boulevard from the Lake County Auditor's Property records to *Attachment 9, Fair Rental Value Survey*. There were differences in the square footage which did not exceed 10 percent. There were variances in the year of construction as reported in the Appendix.

We also compared the type and year of construction for two recent removals from the DODD Bed Reduction/Transfer letters to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions. We found no difference in the year, type or square footage.

2. We compared the project year, type and cost for five recent renovations from the invoices to *Attachment 9, Log 2: Renovations Projects*. We also compared the type and cost of the renovations to the Cost Report Instructions. There were no year or type variances or decreases in costs.
3. We compared equipment depreciation from the Depreciation Expense report and Input Sheet to *Schedule D, Capital Cost Center*, the Cost Report Instructions. There were no variances resulting in decreased costs.

We scanned the Depreciation Expense report and General Ledger to identify any reported loss on *Schedule D* not in accordance with CMS Publication 15-1, § 104.10(E). We found no reported loss.

4. We selected one capital asset from account 8040 which was being depreciated in the first year. We recalculated the first year's depreciation for the one asset selected, based on the Cost Report instructions and useful lives prescribed in the 2018 American Hospital Association (AHA) Asset Guide and Appendix A of Ohio Admin. Code § 5123:2-7-18.

We compared the recalculated depreciation to the reported depreciation and found no variances.

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 ICF-IID's Cost Report 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 ICF-IID and to meet our ethical responsibilities, in accordance with the ethical requirements established by the AICPA related to our agreed upon procedures engagement.

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

March 12, 2024

Appendix
Lake County Board of Developmental Disabilities Adult Residence Center
Medicaid ICF-IID Cost Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
2. Medical Supplies - 6001 - Other Contracted Wages (2)	\$ 17,319	\$ (1)	\$ 17,318	To remove cost due to systemic allocation error
7. - Heat, Light & Power - 6020 - Other Contracted Wages (2)	\$ 77,116	\$ (466)	\$ 76,650	To remove cost due to systemic allocation error
8. Water & Sewage - 6030 - Other Contracted Wages (2)	\$ 16,396	\$ (121)	\$ 16,275	To remove cost due to systemic allocation error
9. Trash & Refuse Removal- 6040 - Other Contracted Wages (2)	\$ 8,513	\$ (16)	\$ 8,497	To remove cost due to systemic allocation error
10. Hazardous Medical Waste Collection - 6050- Other Contracted Wages (2)	\$ 166	\$ (1)	\$ 165	To remove cost due to systemic allocation error
Schedule C Indirect Care Cost Center				
8. Employee Meals - 7045 - Other Contracted Wages (2)	\$ 7,499	\$ (1,300)	\$ 6,199	To reclassify employee gift cards to non-reimbursable costs
11. Enterals Medicare Non-Billable - 7056 - Other Contracted Wages (2)	\$ 829	\$ (1)	\$ 828	To remove cost due to systemic allocation error
22. Incontinence Supplies - 7115 - Other Contracted Wages (2)	\$ 26,864	\$ (7)	\$ 26,857	To remove cost due to systemic allocation error
23. Personal Care Supplies - 7120 - Other Contracted Wages (2)	\$ 13,266	\$ (6)	\$ 13,260	To remove cost due to systemic allocation error
28. Consulting & Management Fees: Indirect - 7215 - Other Contracted Wages (2)	\$ 6,199	\$ (1,207)	\$ 4,992	To remove cost due to systemic allocation error
29. Office & Admin Supplies - 7220 - Other Contracted Wages (2)	\$ 17,081	\$ (1,144)		To remove cost due to systemic allocation error
		\$ (42)	\$ 15,895	To remove direct expense for an item over \$500 which should have been capitalized
30. Communications - 7225 - Other Contracted Wages (2)	\$ 9,908	\$ (734)	\$ 9,174	To remove cost due to systemic allocation error
31. Security Services - 7230 - Other Contracted Wages (2)	\$ 2,856	\$ (308)	\$ 2,548	To remove cost due to systemic allocation error
32. Travel & Entertainment - 7235 - Other Contracted Wages (2)	\$ 7,896	\$ (537)		To remove cost due to systemic allocation error
		\$ (309)		To reclassify sponsorship and board meeting meal costs to non-reimbursable
		\$ (1,410)	\$ 5,640	To reclassify cost of contribution to non-reimbursable

**Appendix
Lake County Board of Developmental Disabilities Adult Residence Center
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
35. Housekeeping - 7245 - Other Contracted Wages (2)	\$ 26,553	\$ (37)	\$ 26,516	To remove cost due to systemic allocation error
40. Dues, Subscriptions & Licenses - 7270 - Other Contracted Wages (2)	\$ 14,019	\$ (1,242)	\$ 12,777	To remove cost due to systemic allocation error
42. Insurance - 7280 - Other Contracted Wages (2)	\$ 8,938	\$ (127)	\$ 8,811	To remove cost due to systemic allocation error
44. Help Wanted/Info Advertising - 7290 - Other Contracted Wages (2)	\$ 4,679	\$ (60)	\$ 4,619	To remove cost due to systemic allocation error
47. Other Indirect Care - 7305 - Other Contracted Wages (2)	\$ 753	\$ (146)	\$ 607	To remove cost due to systemic allocation error
52. Repair & Maintenance - 7340 - Other Contracted Wages (2)	\$ 64,696	\$ (557)		To remove cost due to systemic allocation error
		\$ (717)		To remove cost of an item which the ICF was reimbursed
		\$ (1,043)	\$ 62,379	To remove direct expense for an item over \$500 which should have been capitalized
61. Staff Dev. - Indirect Care - 7535 - Other Contracted Wages (2)	\$ 979	\$ (183)	\$ 796	To remove cost due to systemic allocation error
68. Other Non-Reimbursable - Specify Below - 9725 - Other/Contract Wages (2)	\$ 21,759	\$ 309		To reclassify sponsorship and board meeting meal costs to non-reimbursable
		\$ 1,300		To reclassify employee gift cards to non-reimbursable costs
		\$ 1,410	\$ 24,778	To reclassify cost of contribution to non-reimbursable
Schedule D Capital Cost Center				
4. Depreciation-Equipment-8040-Total (3)	\$ 19,994	\$ 2		To add depreciation for an item over \$500 ICF capitalization threshold
		\$ 43		To add depreciation for an item over \$500 ICF capitalization threshold
		\$ 43	\$ 20,082	To add depreciation for an item over \$500 ICF capitalization threshold

**Appendix
 Lake County Board of Developmental Disabilities Adult Residence Center
 Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Attachment 1, Revenue Trial Balance				
3. Medicaid- 5012-Total (2)	\$ 4,765,235	\$ (117,642)	\$ 4,647,593	To remove revenue received for another ICF
Attachment 9, Fair Rental Value Survey Initial Construction				
Year of Initial Construction	1973	(1)	1972	To adjust the year to County Auditor property records.

OHIO AUDITOR OF STATE KEITH FABER



LAKE COUNTY BOARD OF DEVELOPMENTAL DISABILITIES ADULT RESIDENCE CENTER

LAKE 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 4/2/2024

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