



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

We have performed the procedures enumerated below on the Lorain County Board of Developmental Disabilities dba Meister Road Home'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 Census Summary. There were no computational errors. We compared the total of inpatient and leave days from the Census Summary to *Schedule A-1, Summary of Inpatient Days*. There were no omitted days.
2. We selected two residents from the Monthly Census reports 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).

For any reimbursed leave days, we obtained the remaining Monthly Census reports and any prior authorization documentation. We totaled the leave days per resident and, for any days over 30, we confirmed that all leave days were prior authorized as required by Ohio Admin. Code § 5123-7-08(E) except five days for one resident during May 2022.

Recoverable Findings: \$1,614.45

We compared the unauthorized days to the Summary by Service Code and calculated a finding in the amount of \$1,614.45 for the five unauthorized days in accordance with Ohio Admin. Code § 5123-7-08.

Census Data and Medicaid Paid Claims (Continued)

3. We compared the number of reimbursed Medicaid days with the total Medicaid days reported on *Schedule A-1*. We found that reported days were equal to net Medicaid reimbursed days.

Revenue

1. We agreed the revenue reported on *Attachment 1, Revenue Trial Balance* to the Revenue Account Detail and Summary report and with the chart of account classifications in the Appendix to Ohio Admin. Code § 5123-7-12. There were no variances exceeding \$500.
2. We scanned the description in the Revenue Account Detail report for any discounts, allowances, 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 Expense Account Summary to *Schedule B-1, B-2 and C*. We found no variances.
2. We scanned the IHAC Expense Detail 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 and 10 home office expenses from *Schedules B-1, B-2 and C* that exceed \$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 that the documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H). We found no variances.
- We footed the invoice/documentation for accuracy. We found no computational differences resulting in decreased costs. 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 no non-reimbursable costs.
- 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 variances between schedules exceeding \$500 as reported in the Appendix. For these errors, we scanned the IHAC Expense Detail for other like errors in the same cost center and found no additional similar errors or misclassifications.

Non-Payroll Expenses (Continued)

- We documented the name and type of expense and inquired with ICF-IID and confirmed that the business purpose of the expense benefitted the ICF-IID in accordance with CMS Publication 15-1 § 2302.4.
 - We compared the cost and type of expense on the documentation to Ohio Admin. Code § 5123-7-18 and confirmed that the expense was not a capital asset.
 - We compared the cost methodology and allocation statistics for each expense to the allowable methods per CMS Publication 15-1 § 2302.8. We found no variances. We confirmed each amount was expensed during 2022 and used the proper accounting basis in accordance with the Cost Report instructions.
3. We compared the cost methodology used to allocate Home Office administrative salaries from the 2021 Income and Expenditure report to *Schedule C* and to Ohio Admin. Code § 5123-7-12 and CMS Publication 15-1, § 2150. We reviewed the ICF-IID's methodology to allocate home office costs between unlike facilities and we found the ICF-IID did use a total cost methodology required by CMS Publication 15-1, § 2150.3 (D)(2); however, it was based on prior year actual costs.

Therefore, the ICF-IID provided the 2022 Income and Expenditure Report and the ICF-IIDs percentage of indirect costs. Using the percentage of indirect costs, we recalculated the ICF-IIDs 2022 home office costs based on actual costs. We then compared the recalculated 2022 home office costs to the home office administrative costs that were reported on *Schedule C* based on prior year costs. We found it did not result in decreased costs.

Property

1. We compared the initial square footage and year of construction of the ICF-IID facility at 4609 Meister Road from the Lorain County Auditor's Property records and floor plans to *Attachment 9, Fair Rental Value Survey*. There are no variances exceeding 10 percent resulting in decreased square footage. There was a difference in the year of construction as reported in the Appendix.

We also compared the square footage, type and year of construction for two recent additions from the Lorain County Auditor's Property records and floor plans to *Attachment 9, Log 1: Additions and Removals* and the Cost Report Instructions. We found the square footage for one addition was duplicate square footage already reported under initial square footage and we removed the square footage as reported in the Appendix.

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 renovation to the Cost Report Instructions. There were no year or type variances or decreases in costs.
3. We compared equipment depreciation from the Depreciation Schedule to *Schedule D, Capital Cost Center* and the Cost Report Instructions. There were no variances. We scanned the Depreciation Schedule and IHAC Expense Detail report 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 each 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.

Property (Continued)

We compared the recalculated depreciation to the reported depreciation and found variances resulting in decreased costs as reported in the Appendix.

Payroll

1. We compared all salary and fringe benefits on the Expense Account Summary 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 Payroll Detail report to *Schedule C-1, Administrator's Compensation*. There were no variances.

2. We obtained the Payroll Detail report and selected five employees reported on Schedules B-1, B-2, C and the employees reported on 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 Payroll Detail Report to the Expense Account Summary and the Summary to the Cost Report and confirmed documentation for the full cost was maintained as required by Ohio Admin. Code § 5123-7-12(H).
- 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 Payroll Detail report to the Expense Account Summary and from the Summary 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 reclassifications between schedules exceeding \$500 as reported in the appendix.
- 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.

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.

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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 29, 2024

Appendix

**Lorain County Board of Developmental Disabilities dba Meister Road Home
Medicaid ICF-IID Cost Report Adjustments**

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1 Other Protected Costs				
2. Medical Supplies - medicare non-billable - 6001 - Other Contract Wages (2)	\$ 19,984	\$ (1,455)	\$ 18,529	To reclassify enteral costs
Schedule B-2 Direct Care Cost Center				
38. Payroll Taxes - Direct Care - 6510 - Other/Contract Wages (2)	\$ 168,119	\$ (546)	\$ 167,573	To reclassify portion of payroll taxes related to housekeeping
40. Payroll Taxes - Employee Fringe Benefits - Direct Care - 6530 - Other/Contract Wages (2)	\$ 219,139	\$ (2,532)	\$ 216,607	To reclassify portion of benefits related to housekeeping
13. Habilitation Staff - 6170 - Salary Facility Employed (1)	\$ 557,938	\$ (3,531)	\$ 554,407	To reclassify portion of salary related to housekeeping
Schedule C Indirect Care Cost Center				
11. Enterals: Medicare Non-Billable - 7056 - Other/Contract Wages (2)	\$ 208	\$ 1,455	\$ 1,663	To reclassify enteral costs
35. Housekeeping - 7245 - Salary Facility Employed (1)	\$ 63,070	\$ 3,531	\$ 66,601	To reclassify portion of salary related to housekeeping
56. Payroll Taxes - Indirect Care - 7500 - Other/Contract Wages (2)	\$ 32,484	\$ 546	\$ 33,030	To reclassify portion of payroll taxes related to housekeeping
58. Employee Fringe Benefits - Indirect Care - 7520 - Other/Contract Wages (2)	\$ 55,222	\$ 2,532	\$ 57,754	To reclassify portion of benefits related to housekeeping
Schedule D Capital Cost Center				
4. Depreciation - Equipment - 8040 - Total (3)	\$ 8,010	\$ (156)	\$ 7,854	To reduce depreciation based on change in useful life for recliner
Attachment 9, Fair Rental Value Survey				
Initial Construction				
Year of Initial Construction	1980	1	1981	To correct the year of construction
Fair Rental Value Log 1: Additions and Removals				
3. Meister Addition - 2004 - Change in Squire Footage	1,141	(1,141)	0	To remove duplicated square footage already included in initial square footage

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LORAIN COUNTY BOARD OF DEVELOPMENTAL DISABILITIES DBA MEISTER ROAD HOME

LORAIN 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 4/25/2024

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