



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-Up Procedures

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

We have performed the procedures enumerated below on the Area Agency on Aging, Region 9, Inc.'s Medicaid Waiver Cost Report (Cost Report) and certain compliance requirements related to contract monitoring for the year ended June 30, 2022 included in the information provided, to us by the management of the Area Agency on Aging, Region 9, Inc. The Area Agency on Aging, Region 9, Inc. is responsible for completion of the Cost Report and contract monitoring as required by the Agreement between the Ohio Department of Medicaid (ODM) and the Ohio Department of Aging (ODA) and the PASSPORT Administrative Agency (PAA).

The ODM and the ODA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the Cost Report. 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 this report and may not meet the needs of all users of this 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:

### **Revenue**

1. We agreed the revenue on the Received Payments and Refunds for All Customers reports to the Client Liability Summary and the Client Liability Summary, Revenue Tie Out, and Interest Income report to *Final Page A* and agreed the Transfer-In amount to the prior year Cost Report. There were no variances.
2. We agreed the client liability amounts on the Invoices, Credit Memos, Received Payments and Refunds for all Customers reports to the Client Liability Summary and from the Client Liability Summary to *Final C Page* and we agreed the beginning receivable to the prior year Cost Report. There were no variances.

### **Square Footage**

We confirmed through inquiry the PAA does not use square footage as an allocation method.

### **Trial Balance and Non-Payroll Expenses**

1. We agreed the disbursements for each waiver on the Detail General Ledger - Standard reports to the Trial Balance and from the Trial Balance to *Worksheet 1, Total Allowable Expenses by Line Item*. There were no variances.

### **Trial Balance and Non-Payroll Expenses (Continued)**

2. We compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, Waiver Services Expenses Detail* and calculated the variance. The calculated variance exceeded one half percent of total PIMS costs and we confirmed the Cost Report contained no explanation of the variance.
3. For each waiver worksheet, we calculated five percent of the total of all non-payroll cost report accounts and identified any cost report accounts with a total that exceeds the five percent threshold. We scanned the Detail General Ledger – Standard reports for potential unallowable or improperly allocated costs per 2 CFR 200 Subpart E that impact the identified account codes and selected 60 disbursements including items identified in the scan. We obtained the invoice and/or contract for each selected expense and performed the following:
  - We confirmed documentation for the full cost was maintained as required by PAA Medicaid Waiver Cost Report Instructions (Cost Report Instructions) and 2 CFR 200.403(g).
  - We footed the invoice/documentation for accuracy and found no computational differences resulting in decreased costs on *Worksheet 1*. For invoices with a corresponding contract, we compared the invoice rate to the contracted rate and found no differences resulting in decreased costs.
  - We compared documentation for each expense to the unallowable categories listed in 2 CFR part 200.400 - .475. There were no variances.
  - We compared the documented non-payroll expense and type of expense to the worksheet and account classification on the Cost Report and with the Cost Report Instructions and the PAA's Cost Allocation Plan. There were no account reclassifications between cost report accounts exceeding \$1,000 per row.
  - We documented the name and type of expense and if the purpose was unclear, inquired with PAA to confirm if the business purpose of the expense benefitted the PAA's Medicaid Waiver Programs in accordance with 2 CFR part 200.405 and CMS Publication 15-1 § 2302.4 and did not benefit other programs. There were no variance(s) for costs that did not benefit the PAA's Medicaid waiver programs.
  - We compared the documented cost and type of expense to the PAA's Depreciation/ Capitalization Policy and confirmed the expense was not a capital asset.
  - We compared the cost methodology and allocation statistics for each expense to the allowable methods per the Cost Report Instructions and CMS 15-1 § 2302.8. There were no differences.
  - We confirmed each amount was recorded on the accrual basis, in accordance with the Cost Report Instructions, by agreeing the date/time period of the invoice/documentation to the Cost Reporting period.

### **Payroll**

1. We agreed salaries and benefits for each waiver on the Detail General Ledger - Standard reports to the Trial Balance and from the Trial Balance to *Worksheet 1*. There were variances resulting in decreased costs as reported in the Appendix.

### **Payroll (Continued)**

We compared the first and last pay periods on the Payroll Distribution reports to each Detail General Ledger - Standard reports and confirmed employee payroll expenses were reported on the accrual basis.

2. We obtained the Payroll Distribution report and counted the total number of employees reported on *Worksheet 1*. We selected 10 employees reported on *Worksheet 1* and performed the following procedures on each selected employee:
  - We compared the Payroll Distribution report, job descriptions, and the Table of Organization to the unallowable categories listed in 2 CFR part 200.400 - .475. We confirmed the cost benefitted the Medicaid program in accordance with 2 CFR part 200.405 and CMS Publication 15-1 § 2302.4 and did not benefit other programs.
  - We compared the Payroll Distribution reports for one month to the Trial Balance and from the Trial Balance to the worksheet and account classification on the Cost Report, the Cost Report Instructions and the PAA's Cost Allocation Plan. There were no variances which resulted in reclassifications between cost report accounts.
  - We compared the cost methodology and allocation statistics for the same monthly payroll expenses for each employee to the allowable methods per the Cost Report Instructions and CMS 15-1 § 2302.8. There were no differences.

### **Property**

1. We agreed the capital costs on the Depreciation Schedule and the Detail General Ledger - Standard reports to the Trial Balance and from the Trial Balance to *Worksheet 1* and found no differences.
2. We compared the final FY 2022 Depreciation Schedule to the FY 2021 Depreciation Schedule for changes in the depreciation amounts for assets purchased prior to FY 2022, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years or depreciation which was not in compliance with the Cost Report Instructions. There were no variances exceeding \$1,000 resulting in reclassification to a cost report account or resulting in decreased costs.
3. We selected three capital assets which were being depreciated in the first year in FY 2022. We recalculated the first year's depreciation for the assets selected, based on the Cost Report Instructions and useful lives prescribed in the 2018 American Hospital Association Asset Guide. We compared the recalculated depreciation to the reported depreciation. There were no variances.
4. We selected four disposed assets for FY 2022 from the Disposal worksheets. We scanned the Depreciation Schedule and confirmed the disposed assets were removed from the Depreciation Schedule.

We scanned the Depreciation Schedule and Detail General Ledger - Standard reports for any loss on *Worksheet 1* that was not in accordance with CMS Publication 15-1, Chapter 1, § 104.10(E) and found none.

5. We scanned the Detail General Ledger - Standard reports for items purchased during the reporting period that met the capitalization criteria and traced them to the Depreciation Schedule and found none.

**Contract Monitoring**

1. We obtained the PAA's written procedures and supporting documentation related to performing provider oversight processes in accordance with Section III (A)(3)(e)(ii) in its Three Party Agreement with ODM and ODA. We selected five providers for each type of provider oversight, including five pre-certification reviews, five structural reviews, five disciplinary reviews and two event based reviews and compared supporting documentation to the written procedure requirements. There were no differences.

We conducted our engagement in accordance with 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 PAA's Cost Report and compliance with contract monitoring requirements. 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.

We are required to be independent of the PAA 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

January 16, 2024

Appendix  
 Area Agency on Aging, Region 9, Inc.  
 Independent Accountants' Report on  
 Applying Agreed Upon Procedures

**SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)**

**PROGRAM: PASSPORT**

<b>COST REPORT</b>									
<b>Finding Number</b>	<b>Work sheet</b>	<b>Line</b>	<b>Account</b>	<b>Cost Center</b>	<b>Type of Finding</b>	<b>Specific Compliance Citation</b>	<b>Reported Costs</b>	<b>Audit Adjustments</b>	<b>Audited Cost</b>
1	1	1	Salaries	General Admin.	To agree salaries to actual	Cost Report Instructions	\$1,618,853	(\$1)	<b>\$1,618,852</b>
2	1	1	Salaries	Assessment	To agree salaries to actual	Cost Report Instructions	\$487,317	(\$2)	<b>\$487,315</b>

**Total Effect on Cost Report** (\$3)

# OHIO AUDITOR OF STATE KEITH FABER



**AREA AGENCY ON AGING, REGION 9, INC.**

**GUERNSEY 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 2/1/2024**

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)